

# **INVESTMENT CASE STUDY**

## **SUBMISSION**

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## Spark Funds, An Asset Management Company

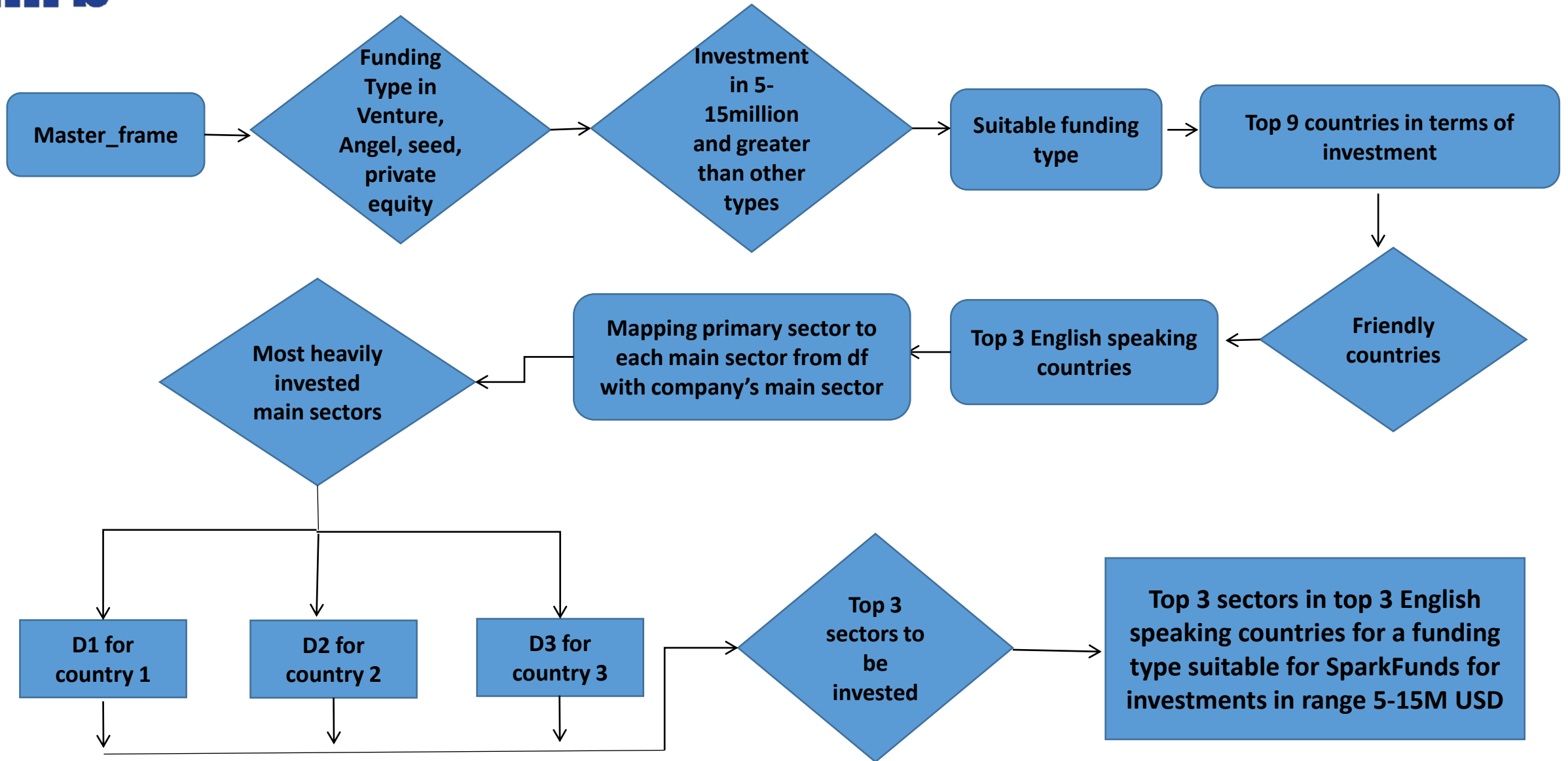
Spark Funds is an asset management company, who wants to make investments in a few companies, within the range of **5 to 15 million USD** per round of investment. It wants to invest only in **English-speaking countries** so as to have the ease of communication with the companies it would invest in.

By understanding the business objective and analysing data, we need to help CEO of Spark Funds to understand the global trends in investments so that she can take the investment decisions effectively.

The business objectives and goals of data analysis are:

- **Business objective:** The objective is to identify the best sectors, countries, and a suitable investment type for making investments. The overall strategy is to invest where others are investing, implying that the 'best' sectors and countries are the ones 'where most investors are investing'.
- **Goals of data analysis:** Goals are divided into three sub-goals:
  - **Investment type analysis:** Comparing the typical investment amounts in the venture, seed, angel, private equity etc. so that Spark Funds can choose the type that is best suited for their strategy.
  - **Country analysis:** Identifying the countries which have been the most heavily invested in the past. These will be Spark Funds' favourites as well.
  - **Sector analysis:** Understanding the distribution of investments across the eight main sectors.

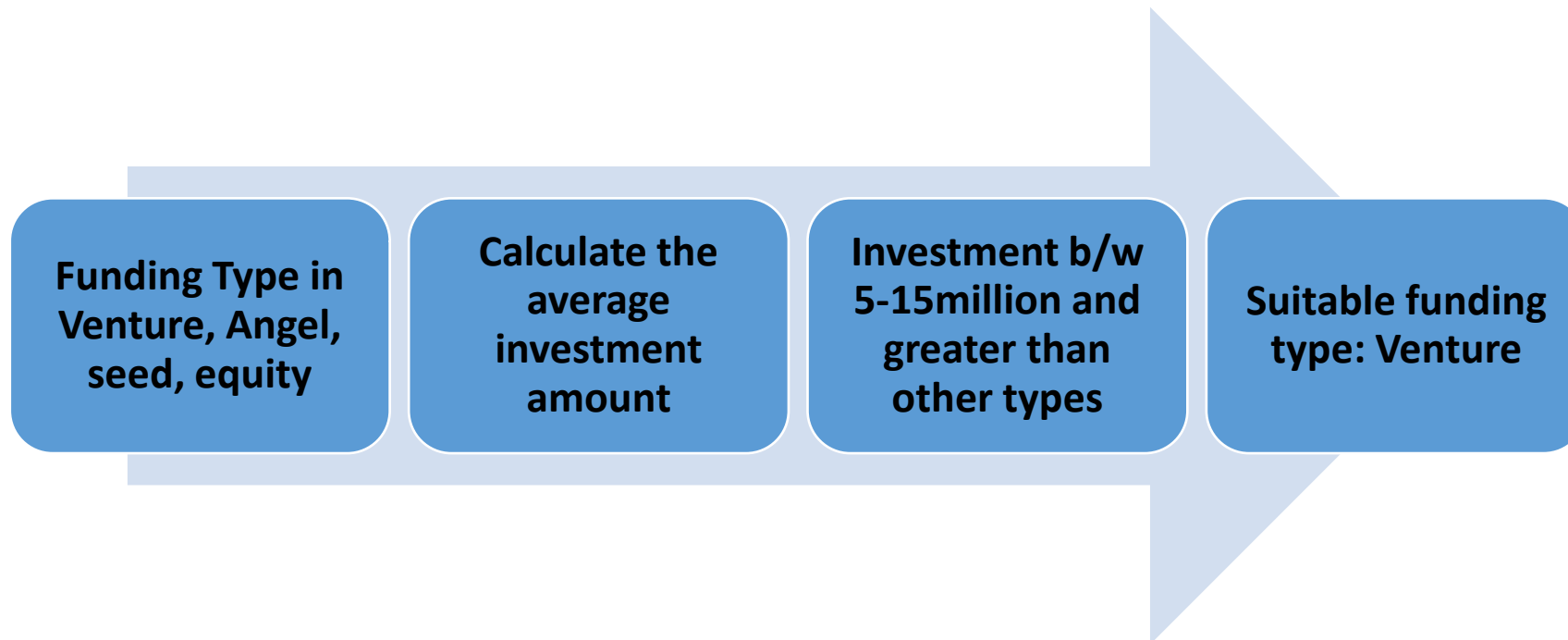
# Flow- Chart



## Investment Type Analysis

Here we need to compare the typical investment amounts in the venture, seed, angel, private equity etc. and choose the type that is best suited for Spark Funds strategy by Calculating the average investment amount for each of the four funding types and based on the average investment amount calculated, need to figure out which investment type is the most suitable for Spark Funds.

From our analysis we figured out that “**Venture**” is the most suitable funding type.



## Country Type Analysis

Spark Funds wants to invest in countries with the highest amount of funding for the chosen investment type.

For that we first select the top nine countries which have received the highest total funding (across ALL sectors for the chosen investment type) then for the chosen investment type i.e. “Venture”, make a data frame named **top9** with the top nine countries (based on the total investment amount each country has received).

From this we need to **Identify the top three English-speaking countries.**

From our analysis those three countries are:

1. **USA**
2. **GBR**
3. **IND**

## Sector Type Analysis

Spark Funds wants to find out the most heavily invested main sectors in each of the three countries (for funding type venture and investments range of 5-15 M USD).

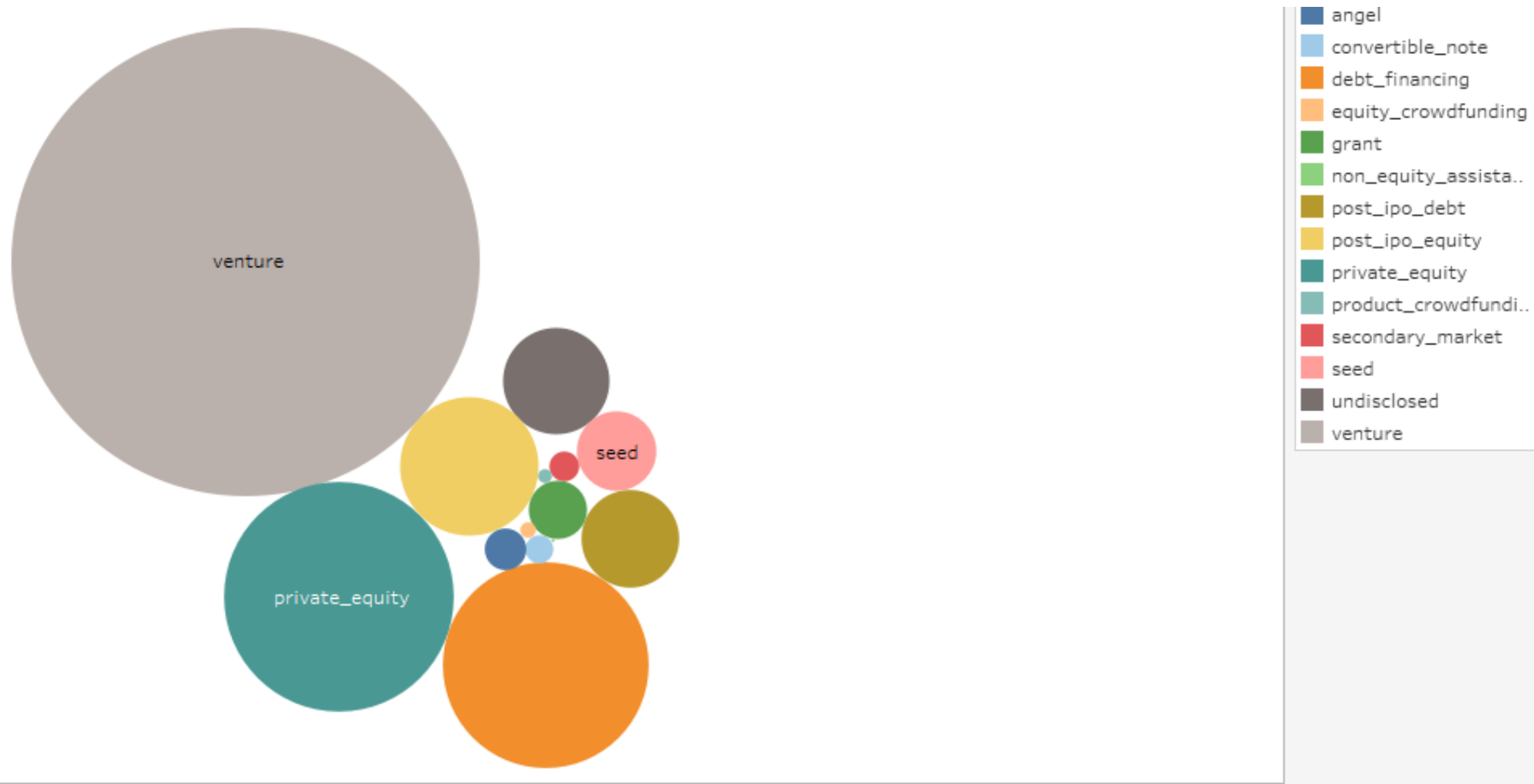
For that we have to first extract the primary sector for each company and then map it to the suitable one of **eight main sectors** listed in the mapping file .

Then we have to calculate the total number and amount of investments in each main sector.

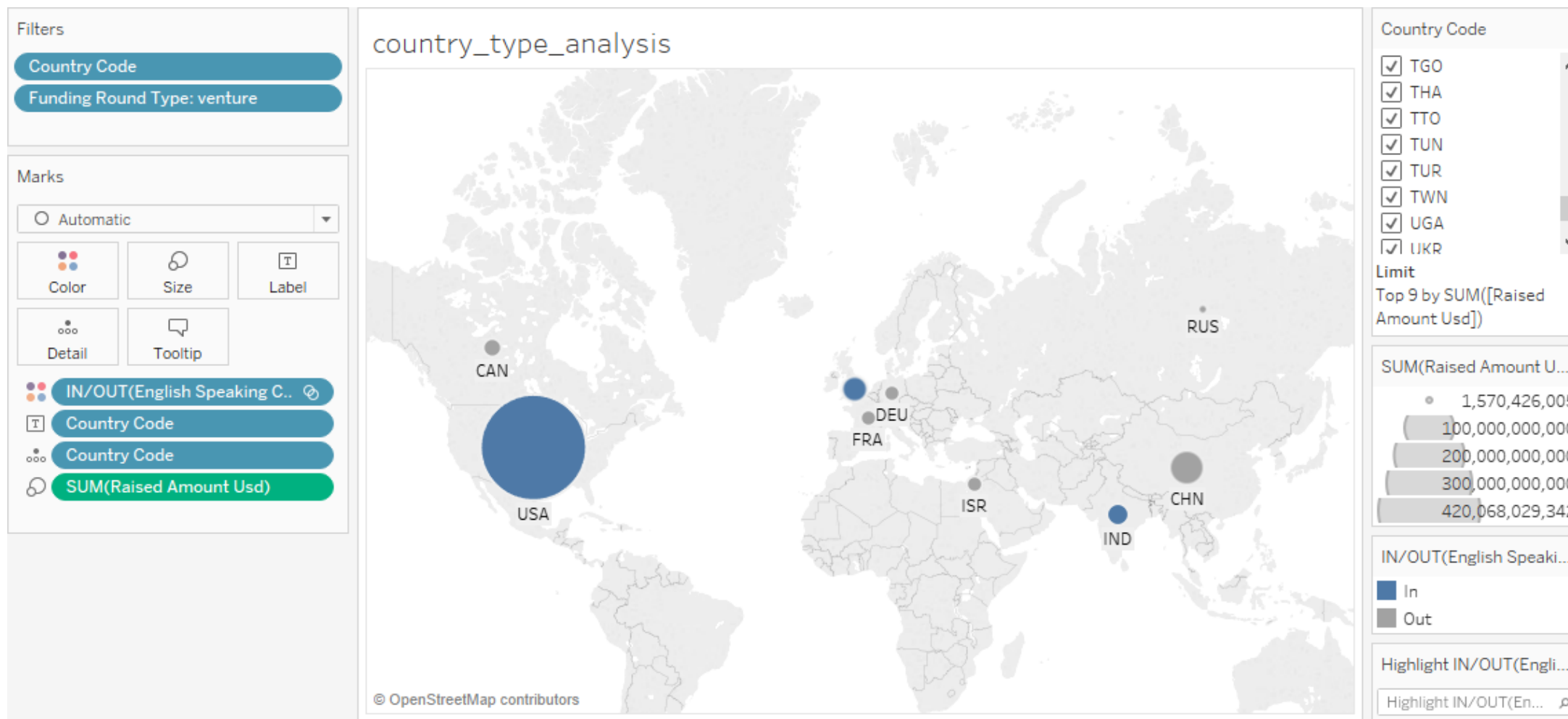
From sector type analysis, the top 3 sectors in top 3 English speaking countries are:

	USA	GRB	IND
Top 1 Sector	Others	Others	Others
Top 2 Sector	Social, Finance, Analytics, Advertising	Social, Finance, Analytics, Advertising	Social, Finance, Analytics, Advertising
Top 3 Sector	Cleantech / Semiconductors	Cleantech / Semiconductors	News, Search and Messaging

**Fraction of total investments (globally) in venture, seed, and private equity, and the average amount of investment in each funding type.**

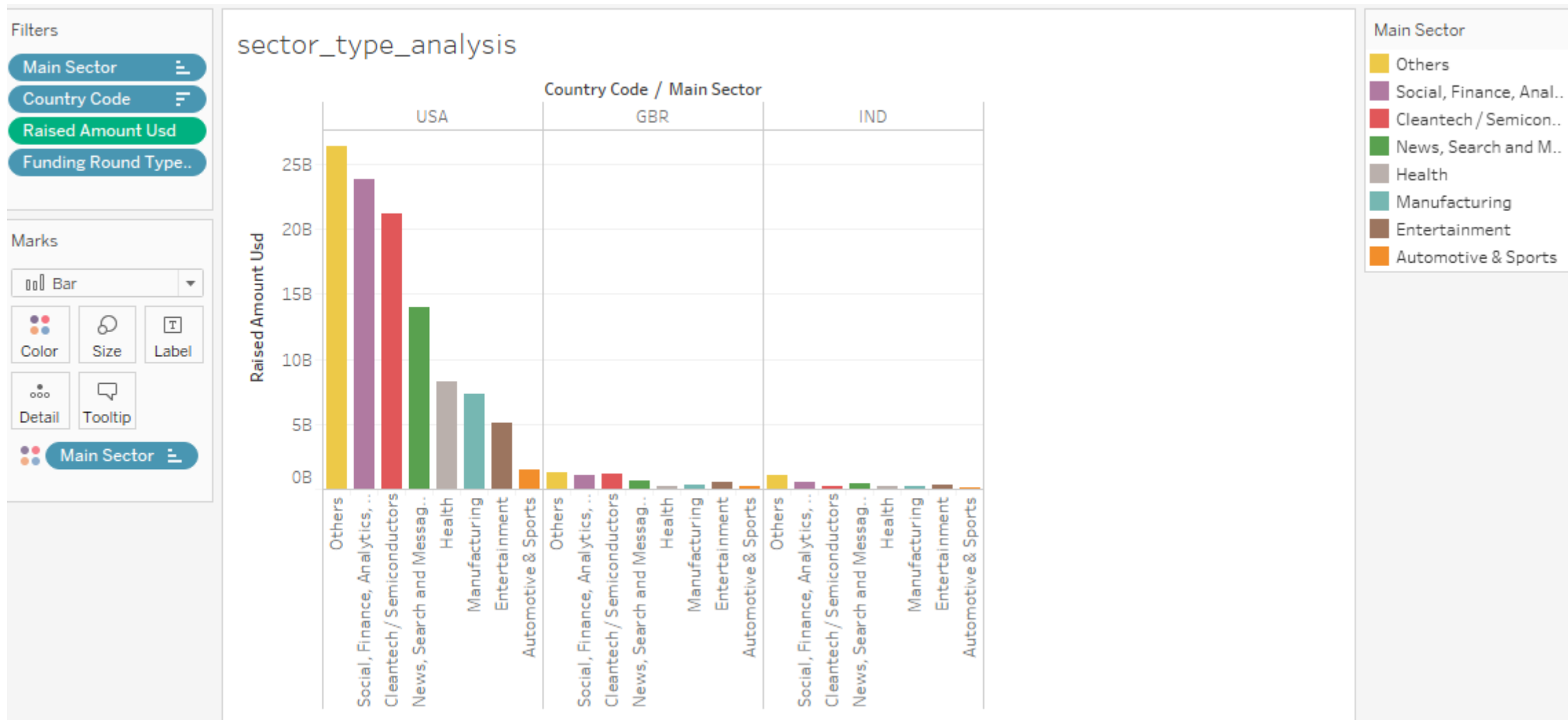


## Top 9 countries against the total amount of investments of funding type Venture with top 3 English speaking countries highlighted.





## Number of investments in the top 3 sectors of the top 3 countries for the chosen investment type - venture



## Conclusion

Based on our analysis, SparkFunds should invest in following companies, because these are the sectors and countries and companies **where others are investing**. Also, the funding type SparkFunds should go for is venture as SparkFunds wants to invest **5 to 15 million USD** per round of investment.

Company	Permalink	Main Sector	Country	Funding Type
1stdibs	/organization/1stdibs	Others	USA	venture
Azure Solutions	/organization/azure-solutions	Others	GBR	venture
CaratLane	/organization/caratlane	Others	IND	venture