

# INVESTMENT CASE STUDY

## SUBMISSION

# Finding suitable investment targets for Spark Funds

➤ Spark Funds wants to find the best companies to invest in. There are some constraints in this search, such as:

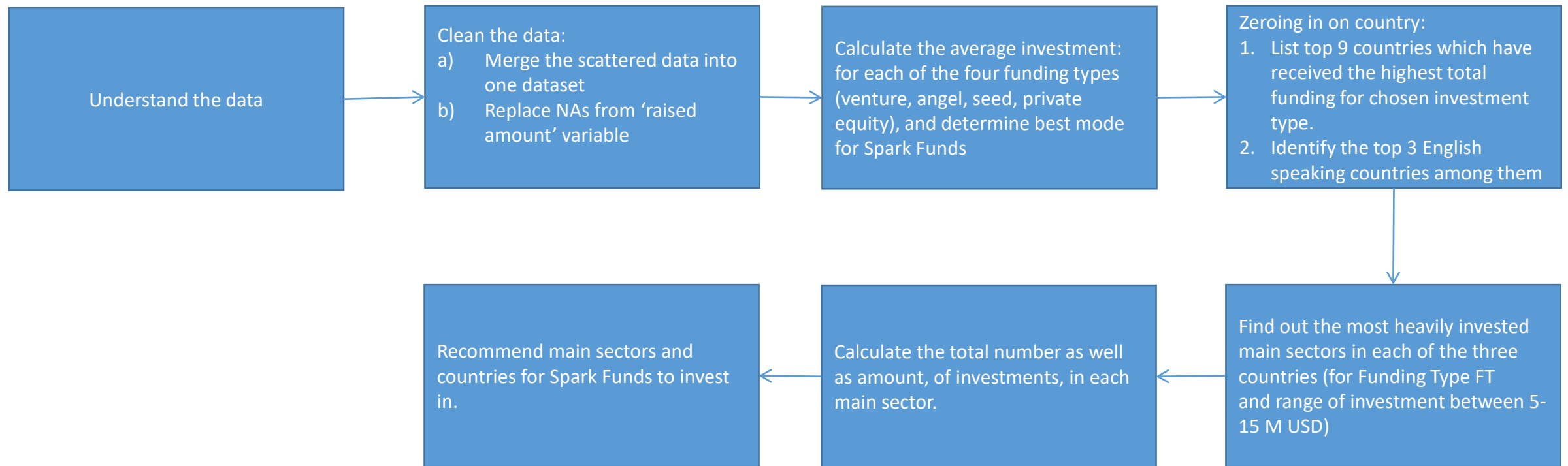
1. The investment should be made only in English-speaking countries
2. The investment should be made in the sector where most other investors are investing

➤ Additionally, Spark Funds is looking to invest between 5 to 15 million USD per round of investment

➤ Thus the given problem statement, is to identify:

- a. Best countries: which countries have had the most investments in the past? These will be Spark Funds' favorites
- b. A suitable investment type: to understand investments in venture, seed/angel, private equity categories etc. so Spark Funds can decide which type is best suited for their strategy.
- c. The best sector: Understanding the distribution of investments across the 8 main sectors, so as to find the "best sector" for Spark Funds' investment strategy

# Problem solving methodology



## Most suitable type of investment: Venture type

Data from a total of 66103 unique companies were analyzed

Average funding dispensed in each type of investment is shown below:

Average funding amount of venture type	\$11,623,493
Average funding amount of angel type	\$2,875,946
Average funding amount of seed type	\$2,920,791
Average funding amount of private equity type	\$63,704,339

Considering that Spark Funds wants to invest between 5 to 15 million USD per investment round, **venture type of investment is most suitable for them.**

# Country analysis

Spark Funds seeks to invest in English speaking countries where most investments are occurring.

**Analysis step 1:** For the chosen (venture) investment type, what are the top 9 countries based on the total investment amount each country has received?

**Analysis step 2:** Among the above top 9 countries, we identify the top 3 English speaking countries:

Top English speaking investment destinations

1	Top English speaking country	USA
2	Second English speaking country	GBR
3	Third English speaking country	IND

# Sector analysis

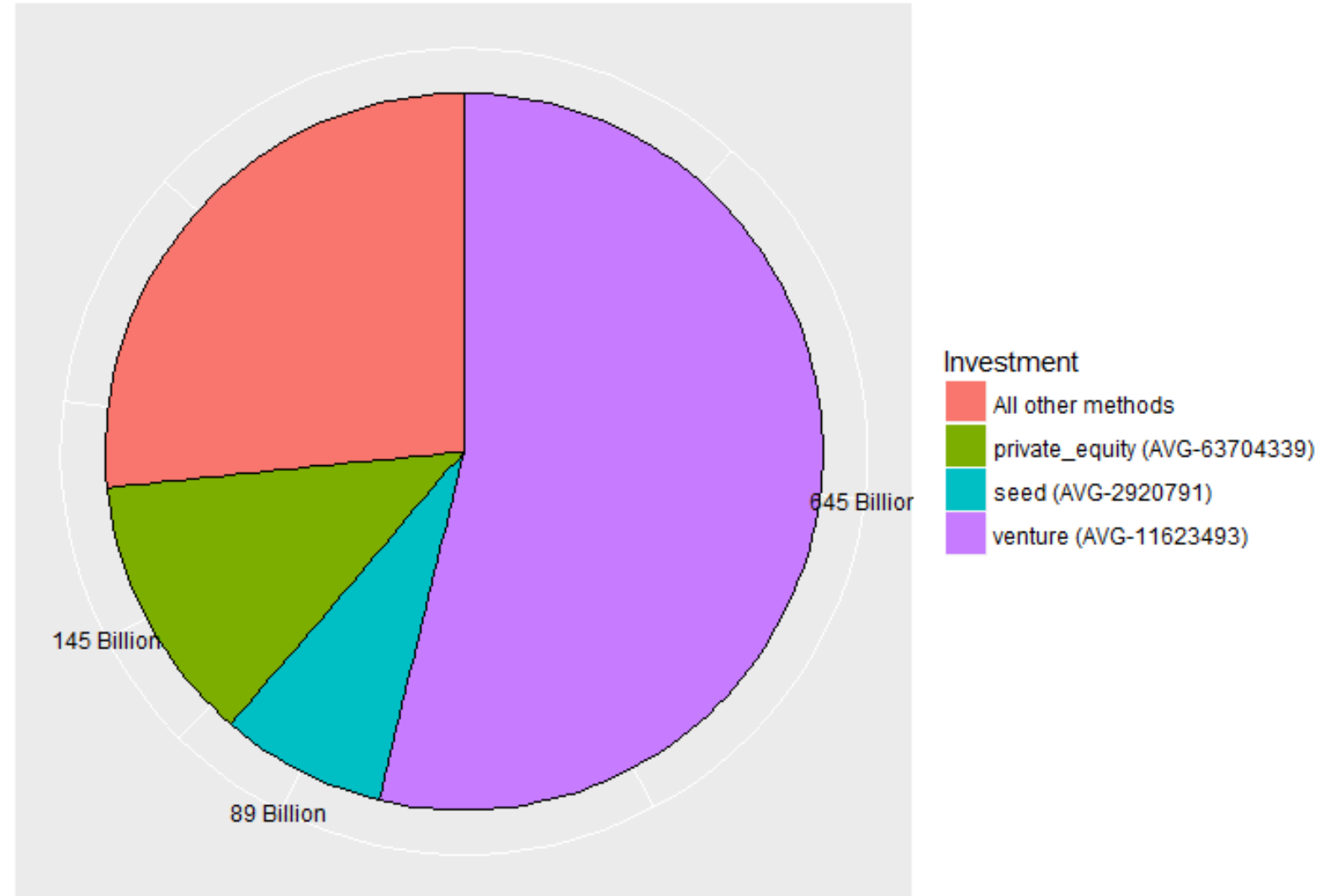
Next we found the most heavily invested main sectors in the 3 countries (for funding type venture, and investment range between 5-15 M USD). Across the three countries, the most popular sector was “Others”. Other results of our analysis :

Data	USA	IND	GBR
Total number of Investments (count)	15884	876	498
Total amount of investment (USD)	1.45899E+11	8022707134	4728257650
Top Sector name (no. of investment-wise)	Others	Others	Others
Second Sector name (no. of investment-wise)	Social, Finance, Analytics, Advertising	Social, Finance, Analytics, Advertising	Social, Finance, Analytics, Advertising
Third Sector name (no. of investment-wise)	Cleantech / Semiconductors	Cleantech / Semiconductors	News, Search and Messaging
Number of investments in top sector (3)	3849	225	160
Number of investments in second sector (4)	3622	197	106
Number of investments in third sector (5)	2795	156	78
For point 3 (top sector count-wise), which company received the highest investment?	Kaminario	SenSage	Classteacher Learning Systems
For point 4 (second best sector count-wise), which company received the highest investment?	Eyeview	myThings	Komli Media

# Top investment method: venture type investing

Total Investments by Different Funding Methods

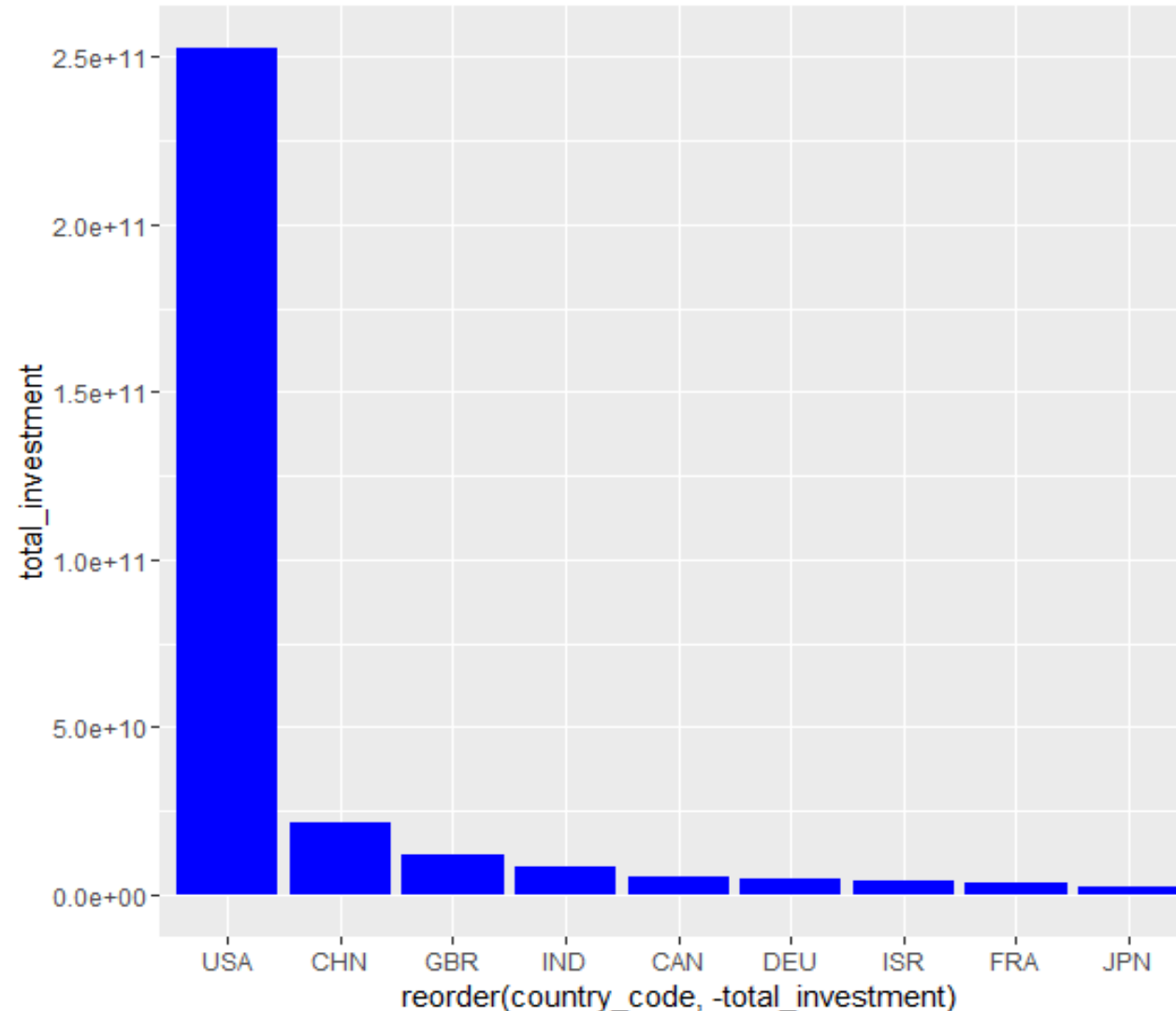
Plot1: This plot shows the total global investments in venture, seed and private equity and the average amount of investment in each funding type. It shows that venture type investment is most suitable for Spark Funds.



# Top countries by total investment

Plot2: bar chart showing top 9 countries against the total amount of investments of funding type Venture.

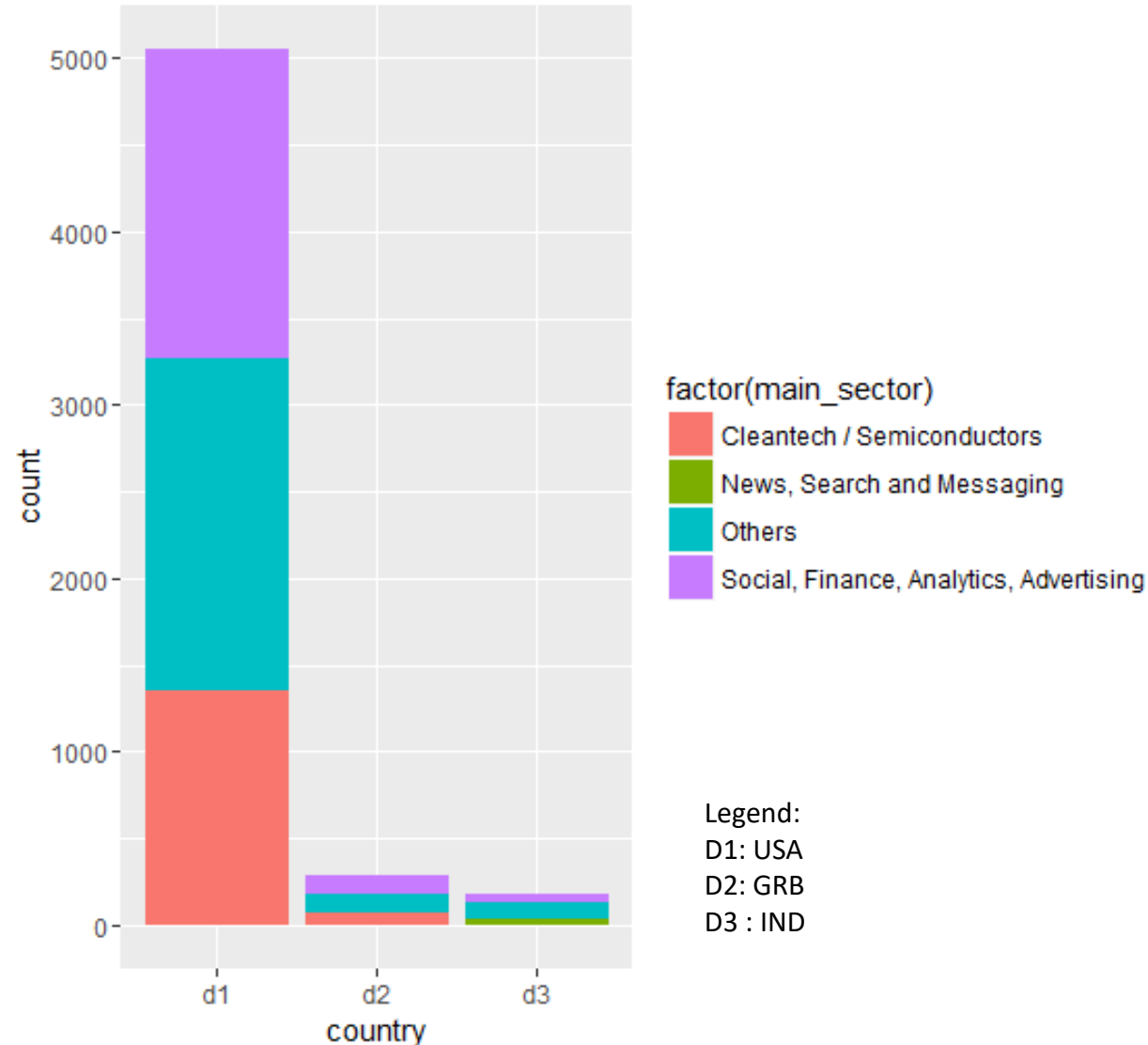
(CHN is not considered in Top 3 because it is not English speaking country)





# No. of investments in top sectors for top countries

Plot3: This plot shows the number of investments in the top 3 sectors of the top 3 countries on one chart (for the chosen venture funding investment type).



# Conclusions

Recommended type of investing: venture funding

Recommended target countries: USA, Great Britain, India

Recommended sectors in USA,GBR,IND:

- Social, Finance, Analytics, Advertising
- Others

Recommended sector in USA,GBR only:

- Cleantech / Semiconductors

Recommended sector in IND only:

- News, Search and Messaging