INVESTMENT CASE STUDY
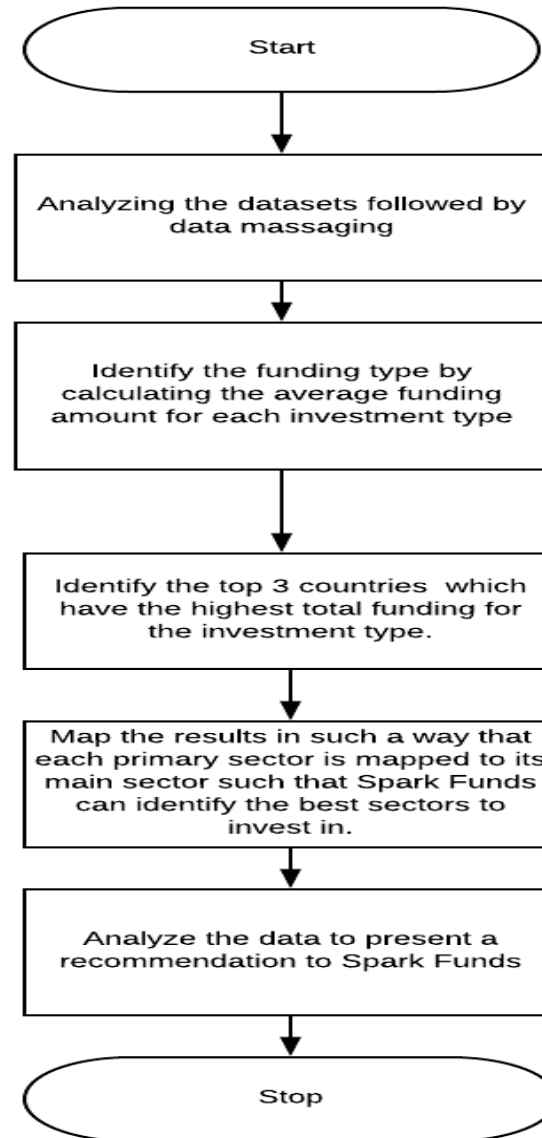
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ABSTRACT

The objective of the case study is to analyze and identify the best sectors, countries and a suitable investment type for an asset management company called Spark Funds. The overall business strategy is to understand the global trend in investments and effectively invest 5-15 million USD per round of funding in a few companies. The goals of data analysis are divided into three sub-goals:

- **Investment Type:** The target of this analysis is to assist Spark Funds in selecting the best investing type for every prospective investment they make which is best aligned with their business strategy.

- **Country Analysis:** The focus on this analysis is to identify the top three countries where most investments are occurring. The constraint in this analysis is to only opt for English speaking nations to enable proficiency in communicating with the companies it will invest in.

- **Sector Analysis:** The aim is to find out the most heavily invested main sectors in each of the three countries for funding type chosen and investments in the range of 5-15 million USD.

PROBLEM SOLVING METHODOLOGY

FUNDING TYPE ANALYSIS

➤ The prerequisite of data analysis is cleaning the data in which the datasets are read, rows and columns with null values are dropped and ensure maximum retention of data.

➤ This is followed by removing plausible encoding problems in the data to work with a clean and concise dataset in a readable format.

➤ Finally, the data frames companies and rounds2 are merged to create a master frame.

➤ The analysis show that there are **66378** unique companies in both the data frames.

➤ The master frame is grouped by the funding round type column and the mean of raised amount in millions USD is calculated to list the the average amount for each investment type.

➤ Additionally, the various funding types are compared against each other for the amount invested through each type.

➤ Results indicate that the **venture** funding type is the most suitable for Spark Funds since it falls within the range of investment.

COUNTRY ANALYSIS

➢ The third goal in data analysis is to recommend the top 3 English speaking countries with the highest investment for the **venture** funding type.

➢ In order to achieve this, the master frame is filtered containing the data related to **venture** funding type to create a new data frame. Group by statement is applied on country code column of the new data frame and display the raised amount USD in descending order to list out the top 9 countries with the highest amount of funding.

➢ Spark Funds wants to invest only in **English-speaking countries** because of the ease of communication with the companies it will invest in.

➢ The results indicate that **USA, Great Britain and India** are the Top 3 English speaking countries with the highest funding.
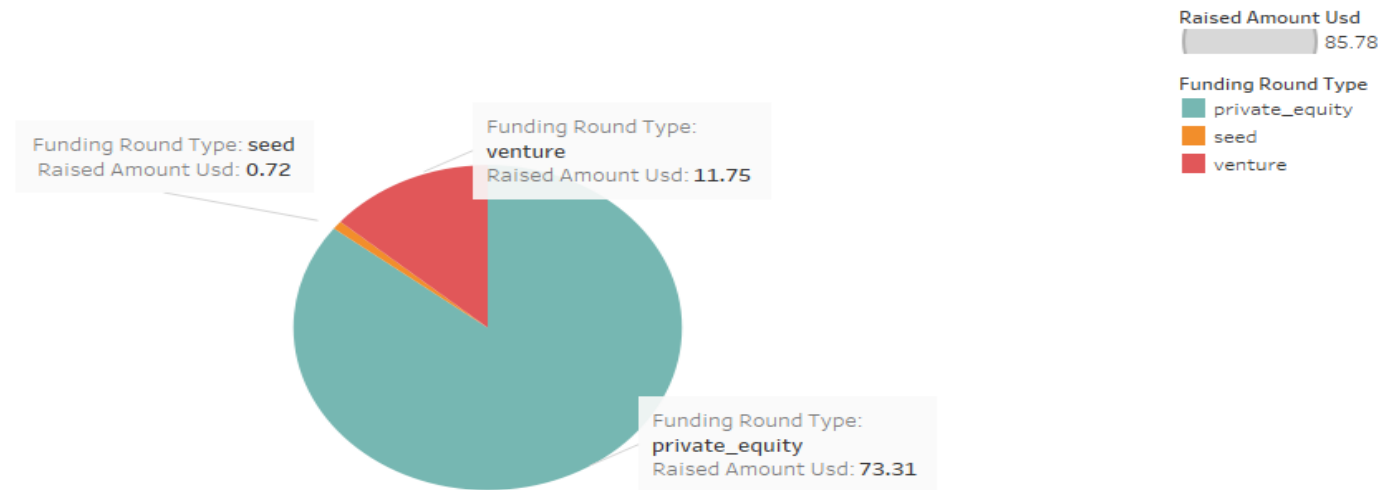
SECTOR ANALYSIS

➢ In this task, the first step is to extract the primary sector from the category list for the companies. This is followed by creating a merged data frame comprising of each primary sector mapped with its corresponding main sector.

➢ Lastly, the most heavily invested main sectors in each of the three countries were arranged in a descending order to aid Spark Funds select the best sectors to invest in.

➢ Results designate that the highest number of investments were made in **USA** with a total of **35784**. **India** ranked third in the pecking order with **819** investments behind second placed **Great Britain** with **2035** investments.

➢ Based on the number of investments, **Others** is the best sector in each of the three countries. **Cleantech/Semiconductors** is the second best category to invest in USA and GBR while **Social, Finance, Analytics, Advertising** is the second best category to invest in India.

➢ In USA, a company called **Sofi** received the highest investment where as **OneWeb** and **Flipkart** received the highest investment in Great Britain and India respectively.

Results

➤ Plot number 1 shows that **venture** is the most suitable funding type.

➤ A calculated field was applied in Tableau to select the funding type in the range of 5-15 million USD.

➤ Additionally, a filter condition was applied to highlight only venture, seed and private equity funding type.
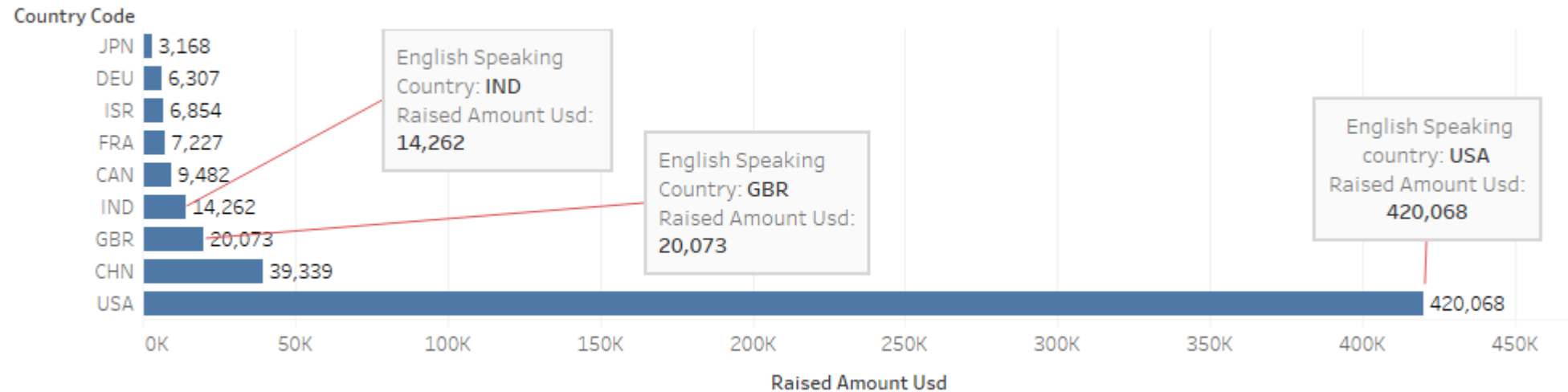

Funding Round Type (color) and sum of Raised Amount Usd (size). The view is filtered on Funding Round Type, which keeps private_equity, seed and venture.

Results

➢ Plot number 2 displays that **USA, Great Britain and India** are the top three countries to invest.

➢ A calculated field was applied in Tableau to rank the top three countries.
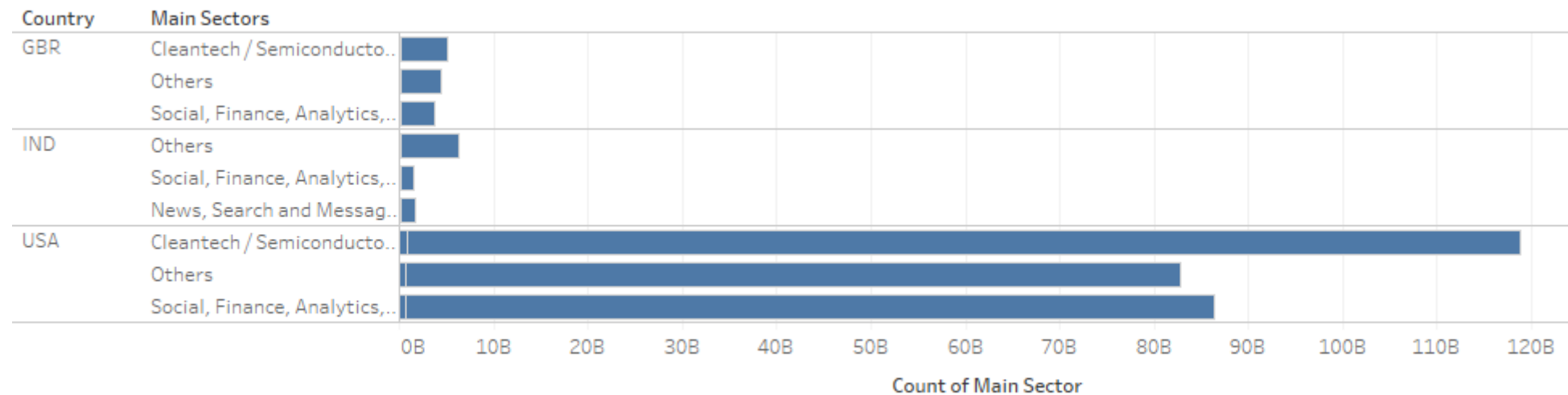

Sheet 1

Sum of Raised Amount Usd for each Country Code.

Results

> Plot number 3 exhibits the number of investments in the **top 3 sectors** of the **top 3 countries** for the chosen investment type.

Sector Analysis

F1, Funding Round Permalink Y, Number of Records, Raised Amount Usd X and Raised Amount Usd Y for each Main Sectors broken down by Country. Details are shown for Country and Country. The data is filtered on Main Sectors & Country (Combined), which keeps 9 members. The view is filtered on Country, which keeps GBR, IND and USA.

CONCLUSIONS

➢ The analysis conclude that **Venture** is the most favourable funding type, **USA, Great Britain and India** are the top three countries and **Others** is the best sector for Spark Funds to invest.

➢ In all the three countries, Spark Funds can consider investing in the "**Others**" sector.

➢ In USA and Great Britain, **Cleantech/Semiconductors** is the second best sector for Spark Funds to invest.

➢ To invest in India, **Social, Finance, Analytics, Advertising** is the second best sector.

➢ Additionally, In USA**, Sofi and Snapchat** are the Top two companies where most investors are making investments.

➢ Furthermore, in Great Britain**, OneWeb and Farfetch** are the top two companies and In India, **Flipkart and Snapdeal** are the top two companies which receive the heaviest investments.