**50StartUpss**

Conclusions from Linear Modelling and Analysis

The Administration Expense, Marketing Expense, R.D Spend and State were modelled with Profit. The goal was to predict the relationship of Profit with any / all of these variables.

As per the model, the start-up’s Profit varies with two variables, ie., Marketing Expense and R.D Spend. The other two variables which are Administration Expense and State, have very little effect on the Profit.

R.D.Spend has the maximum impact on the Company’s Profit.

R.D Spend is a major factor influencing the Profits. There is a strong link / association between R.D Spend and Profits. 95% of variations in Profit can be explained by R.D. Spend.

To elucidate, if the Company is willing to increase the R.D Spend every 0.8 units, then Company’s Profit will increase by 1 unit.

As per the current data, the average of R.D Spend with respect to the total expenses of all the companies is approx. 17% in comparison to average Marketing Spend (approx. 47%) and Administrative Spend (approx. 37%). It would be worthwhile for the Companies to increase their budget in RD Spend to see good Profits.