
Startup Funding



How much will your startup raise?

Problem Statement

1. Venture Capital firms seek a benchmark for pricing their investments.
 2. Startups want to see what other companies similar to them are worth.
-

App Demo

Data Used

1. Crunchbase data 2007-2014 from data.world.

Includes information on:

1. Companies
 2. Acquisitions
 3. Funding rounds
 4. Investors
2. Other macro datasets like number of IPOs in given year.
-

Modeling and Success Criteria

- Very large initial feature space of > 4000 features.
 - Entity recognition and NLP to condense categorical features.
 - Recursive feature elimination with extra trees regressor.
 - Random forest regression with final 30 features.
 - Improved R^2 from 0.3 to 0.56.
 - Monthly utilization from 100 venture capital firms and 60% retention.
-

Insights

- Relatively low explainability of model.
 - Newer funding methods and further expansion of market types.
 - Lots of intangibles associated with startup funding like founder charisma, marketing timing etc.
 - Outliers matter.
-

Thank you!
