INVESTMENT ASSIGNMENT

SUBMISSION

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Abstract and Constraints

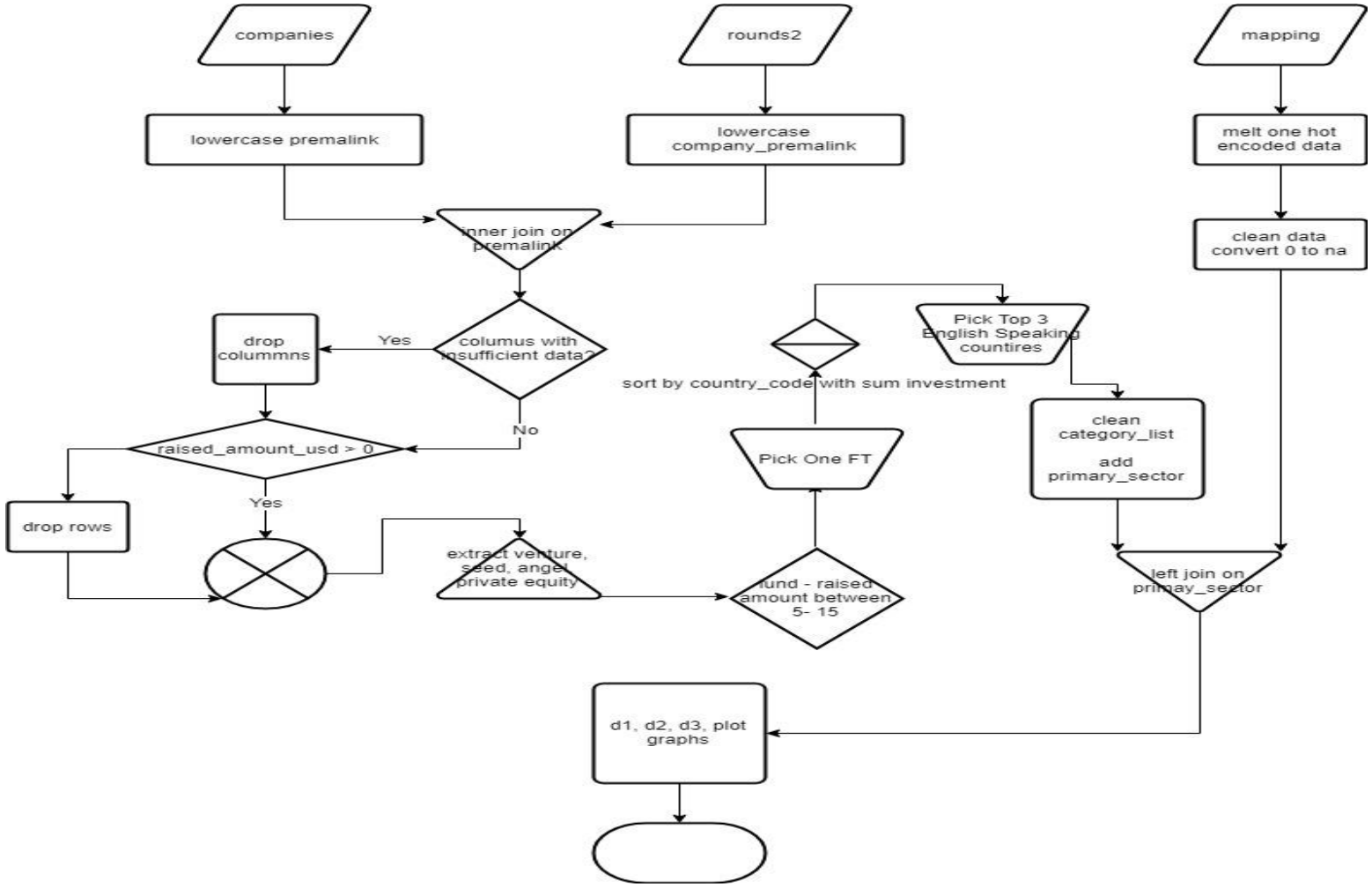
Abstract:

The CEO of Spark Funds wants to understand the global trends in investments so that he/she can take the investment decisions effectively and make investments in a few companies. The objective is to identify the best sectors, countries, and a suitable investment/funding type for making investments.

Constraints:

1. Invest between 5 to 15 million USD per round of investment.
2. Invest only in English-speaking countries for the ease of communication with the companies it would invest in.

Problem solving methodology



Analysis

This analysis starts with cleaning of the data where out of the 114942 rows, 27039 rows were removed which included null values and unnecessary data.

This Analysis is mainly categorized into 3 stages.

1. Funding Type Analysis
2. Country Analysis
3. Sector Analysis

Analysis

1. Funding Type Analysis:

The Dataset contains a number of investment type. We found Private Equity, Seed, Angel and Venture Types to be prominent in our analysis. Private Equity has the highest average amount of investment i.e. $75.80 Million USD. Since it does not fall into the margins set by Sparks Funds, this was not suitable. Venture, seems to be the best funding type as it has avg. investments of 11.9 Million Dollars. Notably, this is the most invested type by sum of investments. Has 60.14% of investments occurring.

2. Country Analysis:

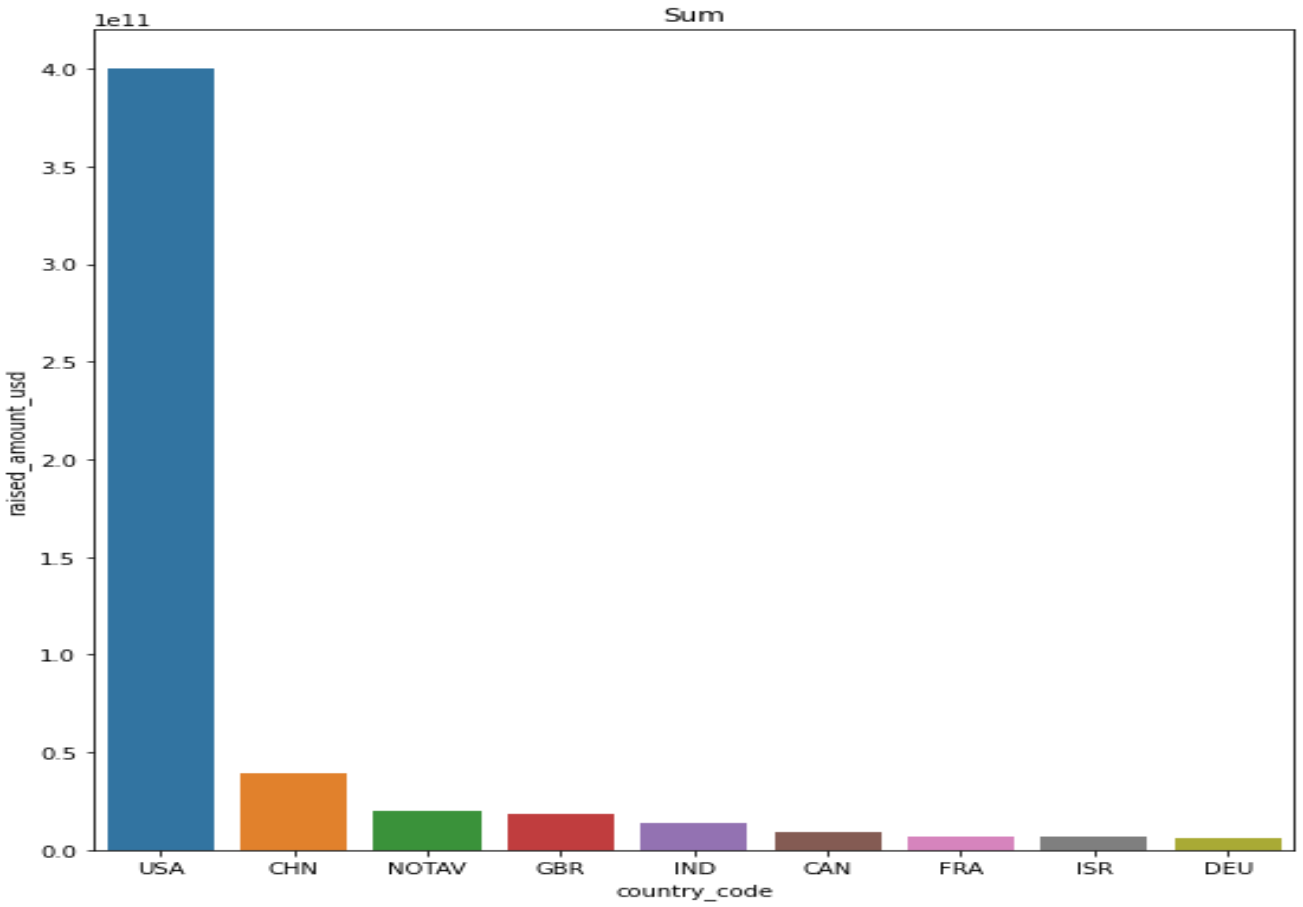
The Country Analysis is done on Venture Type Funding. If you look into the dataset provided here, we can see there are more than 100 countries included. But the major investment was done in a very few countries including USA, China, Great Britain, India, Japan, Germany. China was among the top 3 heavily invested countries, but being a non English speaking country, it was excluded and will not be considered by Sparks Funds to invest in. The amount of investments in USA is about $400 Billion Dollars. It beats the second highest, China, by a margin of $360 Billion Dollar. Or roughly, it is 10 times more invested that China.

3. Sector Analysis:

Having a large number of sectors in the dataset, it was difficult to categorize them. Hence we mapped these sectors with 8 major sectors to make the analysis simple and clean. Top 3 sectors for the top 3 countries were identified in this study. It was seen that the prominent sectors for these countries were the same which are ‘Others’, ‘Cleantech / Semiconductors’ and ‘Social/Finance/Analytics/Advertising’ in the order, top to bottom.

Analysis

Plot showing raised amount in USD



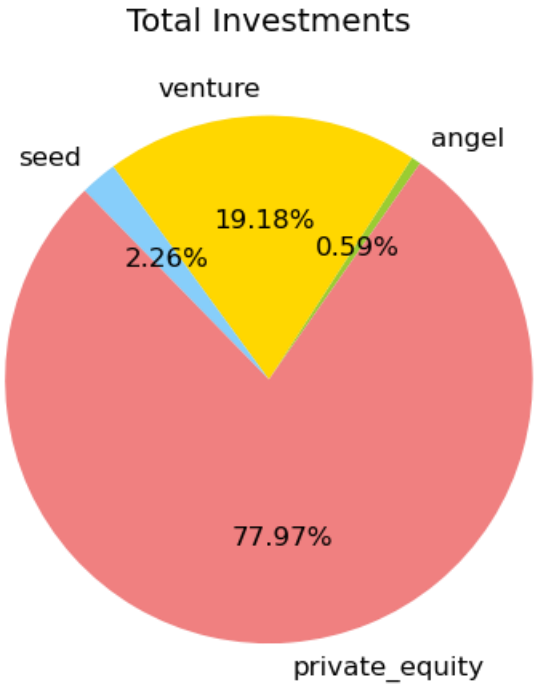
1. Top English speaking country - **USA**

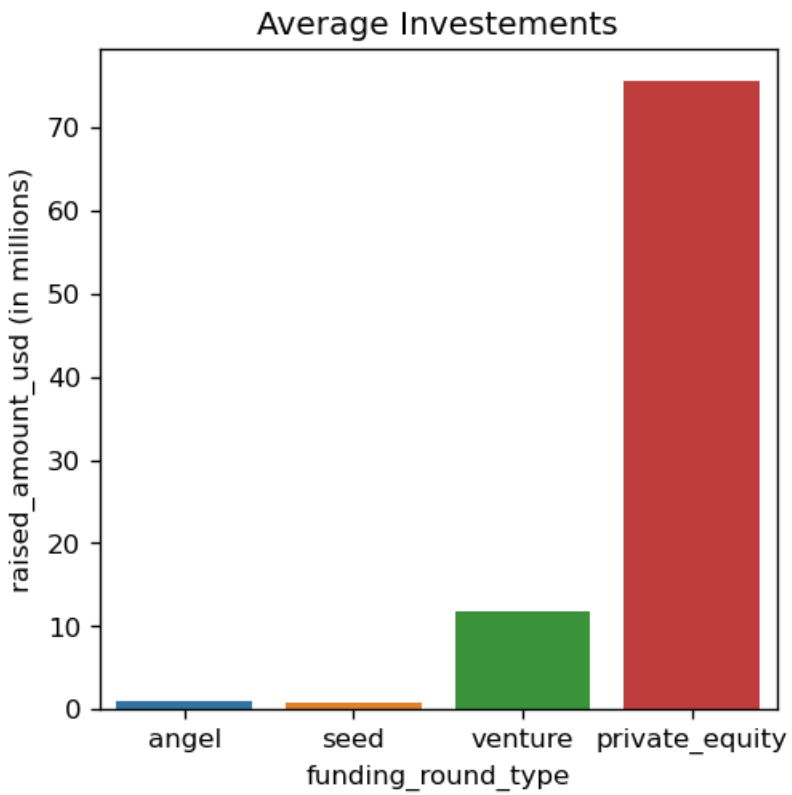
2. Second English speaking country - **GBR**

3. Third English speaking country - **IND**

Results

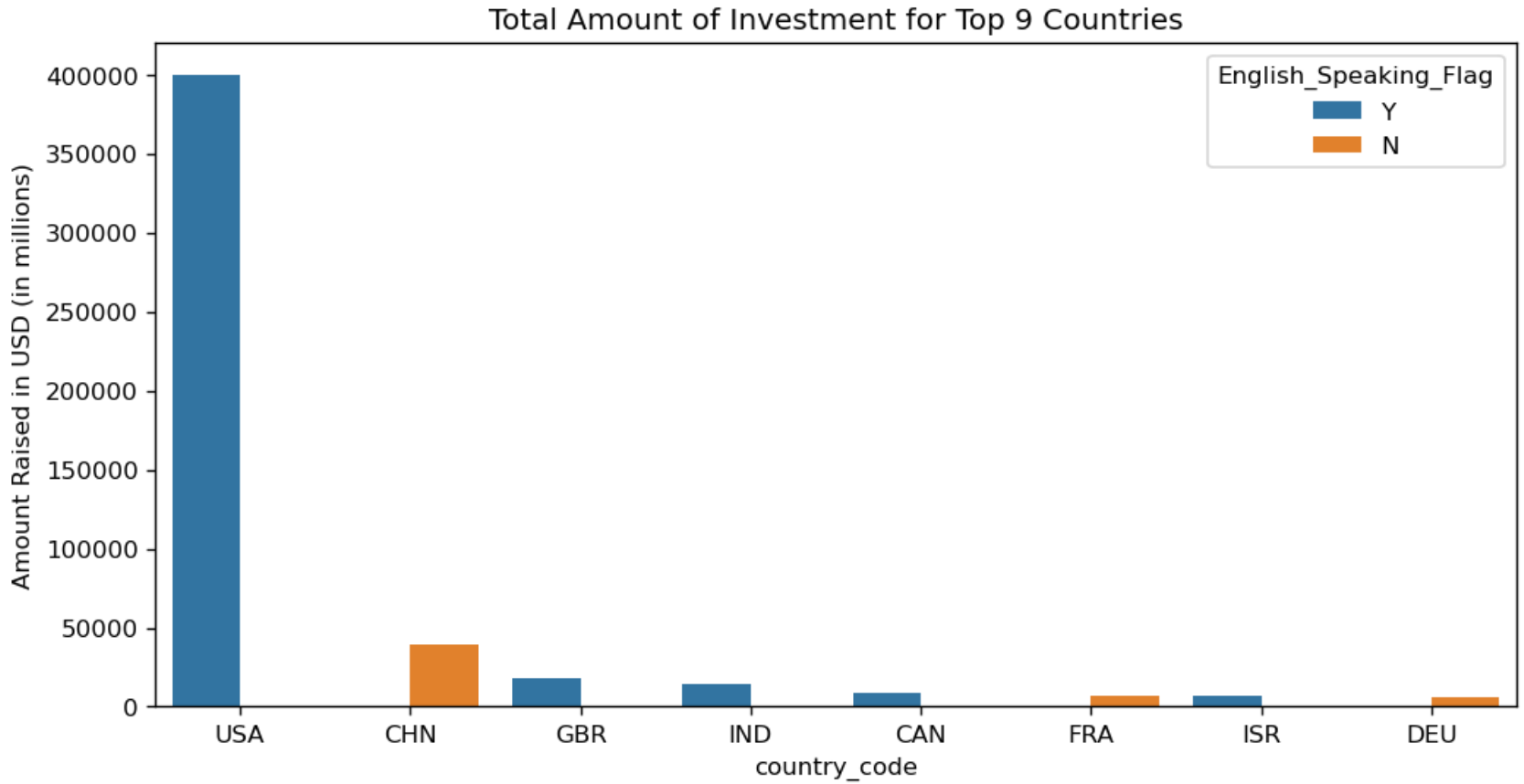
Plot 1: A plot showing the representative amount of investment in each funding type. This chart should make it clear that a certain funding type (FT) is best suited for Spark Funds.





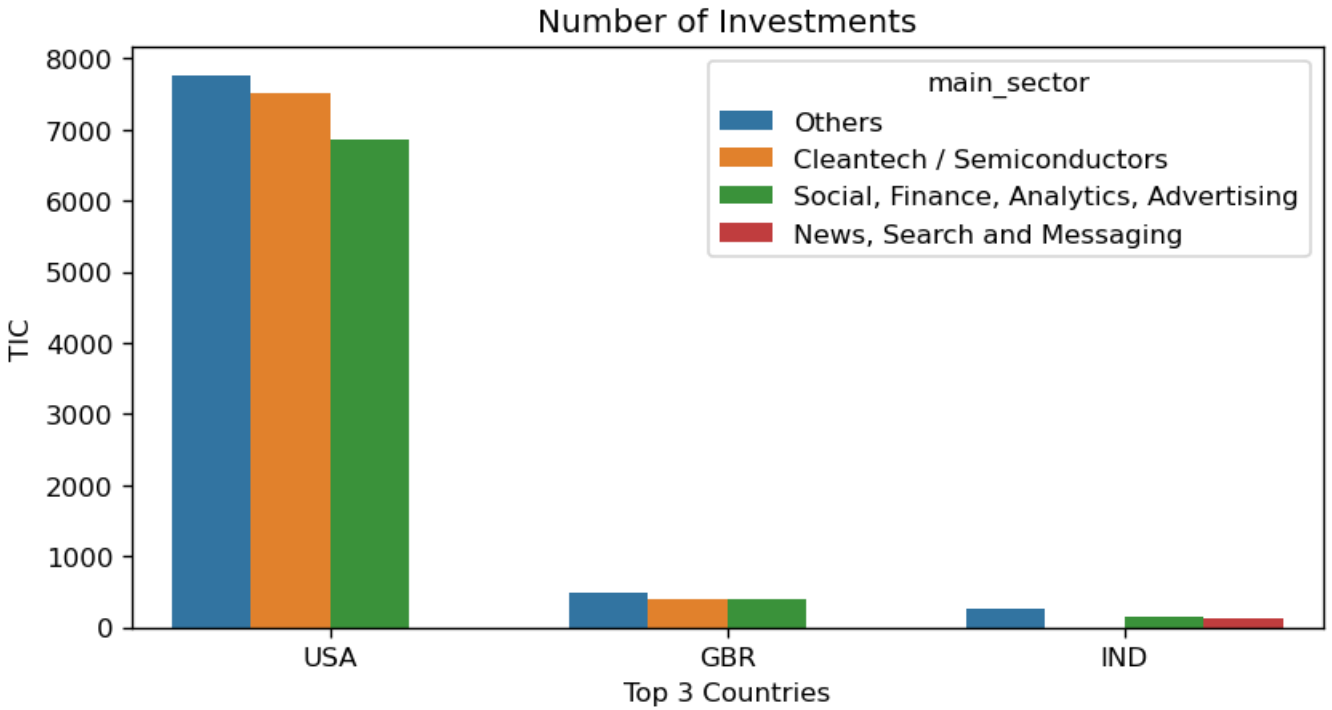
Results

Plot 2: A plot showing the top 9 countries against the total amount of investments of funding type FT. This should make the top 3 countries (Country 1, Country 2, and Country 3) very clear.



Results

Plot 3: A plot showing the number of investments in the top 3 sectors of the top 3 countries on one chart (for the chosen investment type FT). This plot should clearly display the top 3 sectors each in Country 1, Country 2, and Country 3.



Conclusions

Based on our analysis of the Investments data we can conclude the following:

1. Best investment type with an average size of investment in the 5-15 M USD range is **Venture**.
2. Top 3 English Speaking Countries receiving the highest investment amounts in Venture funding types are **USA, Great Britain and India.**
3. The most suitable sectors for funding in the above three countries are **‘Others’, ‘Cleantech/Semiconductors’ and ‘Social/Finance/Analytics/Advertising’**