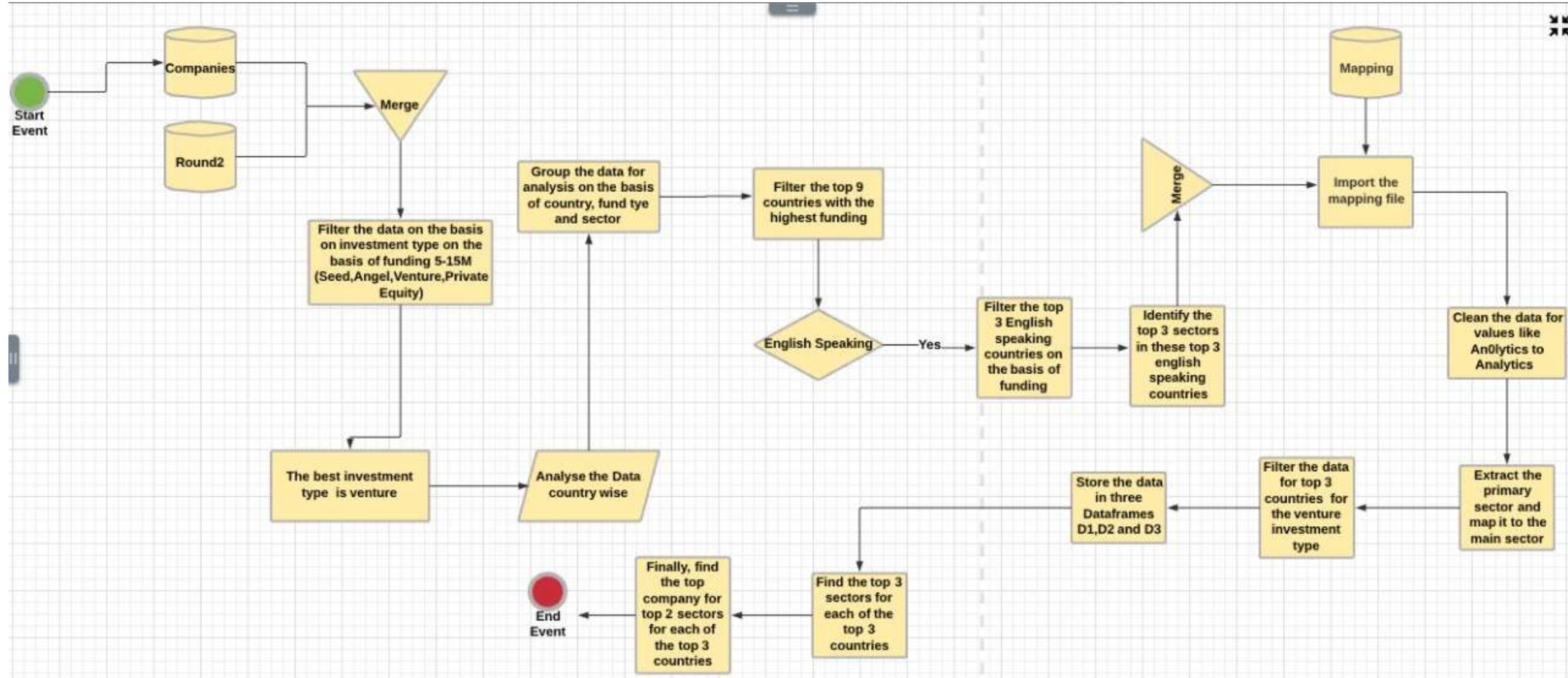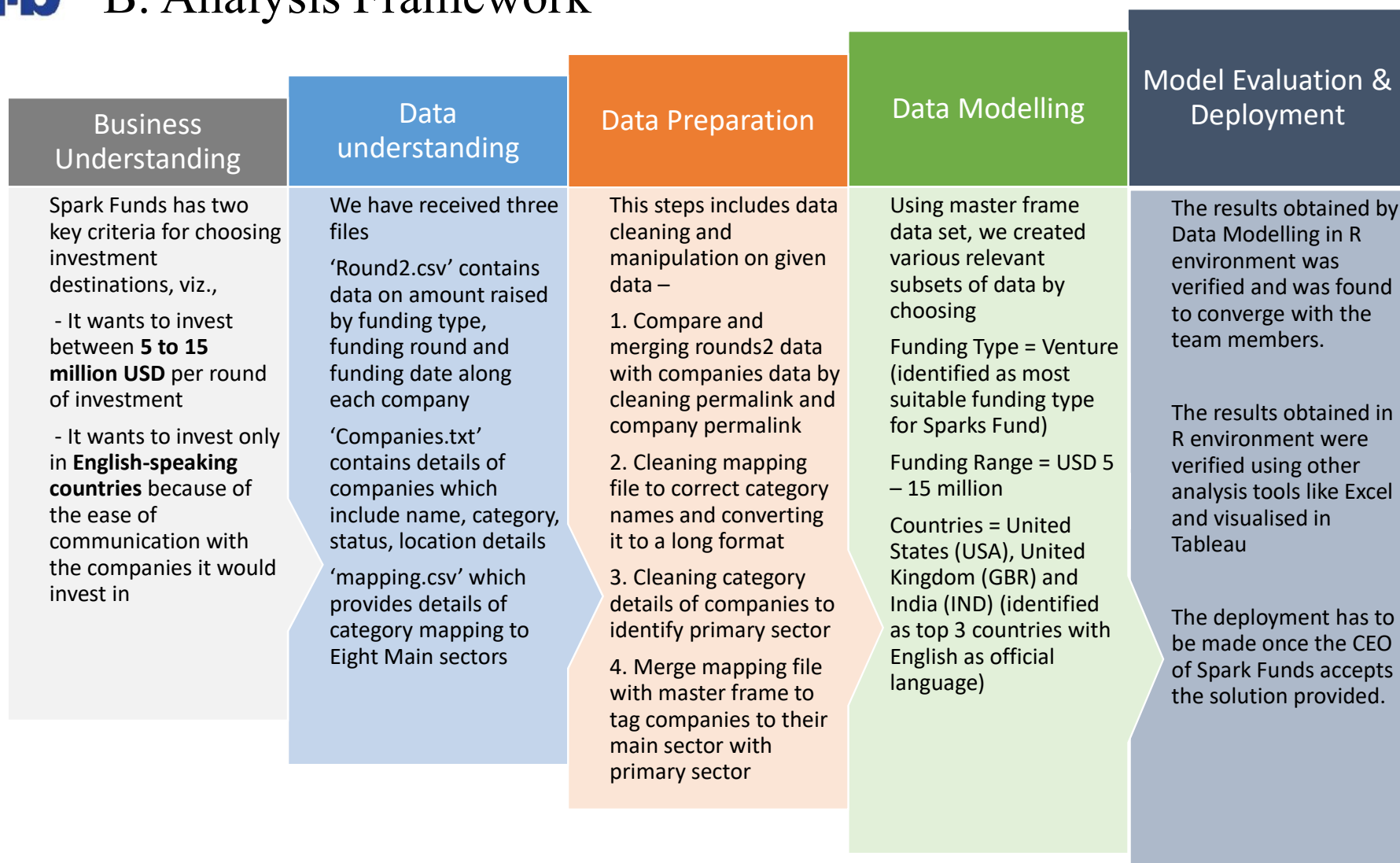# INVESTMENT CASE STUDY

SUBMISSION

Group Name: Vectors for Victors

1. Kartik Porwal
2. Keerthika Nandagopal
3. Rahul Kumar
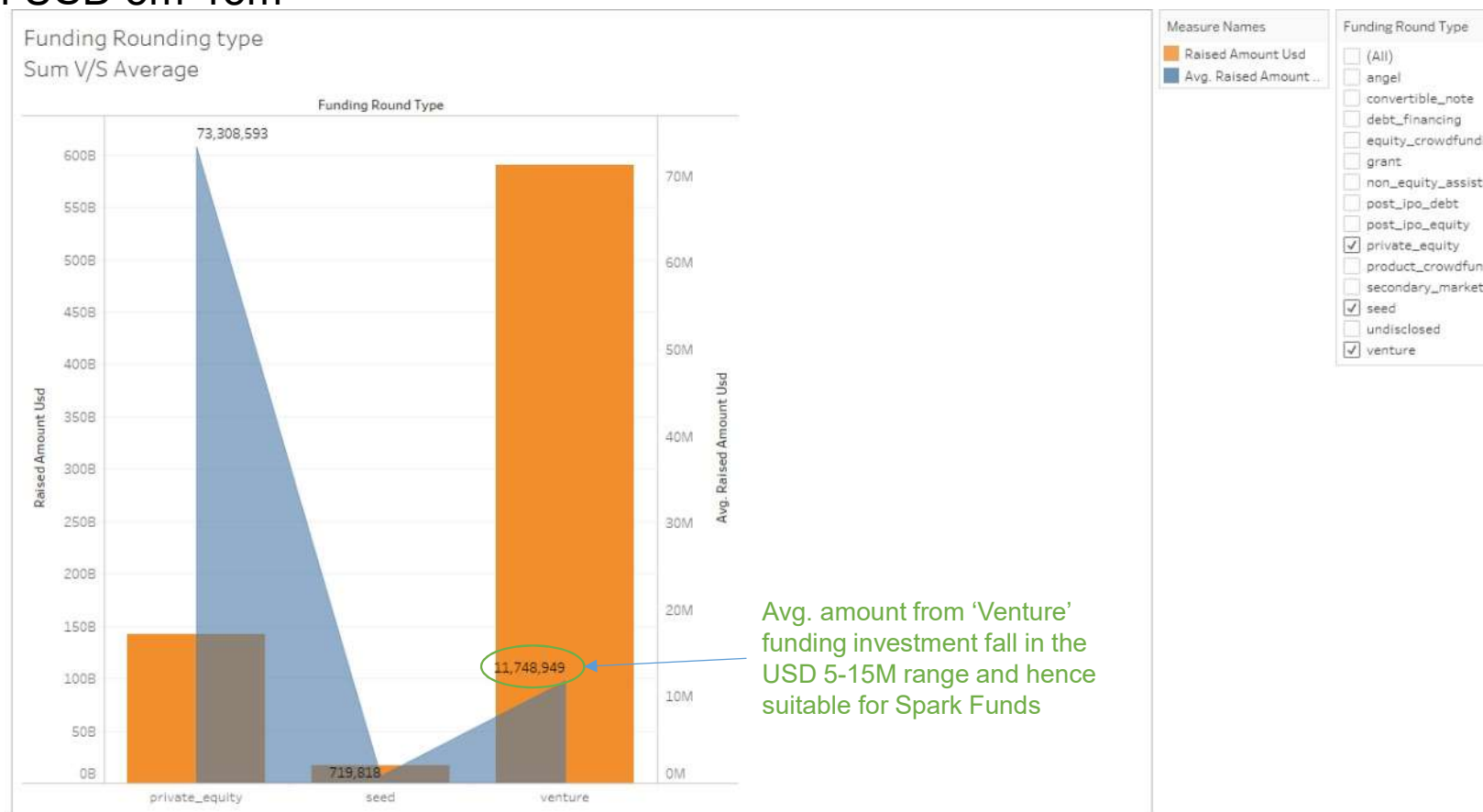4. Viveka Manikonda

Abstract

- This presentation contains findings to highlight Top investment destinations and type of funding that meet key investment criteria of Spark Funds (Spark)

- Key investment criteria is defined as below:
  1. Spark wants to invest between 5 to 15 million USD per round of investment
  2. Spark wants to invest only in countries where English is official language because of the ease of communication with the companies it would invest in

- Section A &B provides an overview of Problem solving methodology and Analysis framework

- Section C highlights fraction of investment and average investment received in 'Venture', 'Seed' and 'Private Equity' to highlight suitable funding type

- Section D highlights Top 3 investment destinations according to Spark Funds criteria

- Section E highlights Key sector in those Top 3 countries that received highest number of investments

- Section F provides Conclusions of analysis with recommendations to Spark Funds

A. Problem solving methodology

B. Analysis Framework

Business Understanding

Spark Funds has two key criteria for choosing investment destinations, viz.,

- It wants to invest between **5 to 15 million USD** per round of investment

- It wants to invest only in **English-speaking countries** because of the ease of communication with the companies it would invest in

Data understanding

We have received three files

'Round2.csv' contains data on amount raised by funding type, funding round and funding date along each company

'Companies.txt' contains details of companies which include name, category, status, location details

'mapping.csv' which provides details of category mapping to Eight Main sectors

Data Preparation

This steps includes data cleaning and manipulation on given data –

1. Compare and merging rounds2 data with companies data by cleaning permalink and company permalink

2. Cleaning mapping file to correct category names and converting it to a long format

3. Cleaning category details of companies to identify primary sector

4. Merge mapping file with master frame to tag companies to their main sector with primary sector

Data Modelling

Using master frame data set, we created various relevant subsets of data by choosing

Funding Type = Venture (identified as most suitable funding type for Sparks Fund)

Funding Range = USD 5 – 15 million

Countries = United States (USA), United Kingdom (GBR) and India (IND) (identified as top 3 countries with English as official language)

Model Evaluation & Deployment

The results obtained by Data Modelling in R environment was verified and was found to converge with the team members.

The results obtained in R environment were verified using other analysis tools like Excel and visualised in Tableau

The deployment has to be made once the CEO of Spark Funds accepts the solution provided.
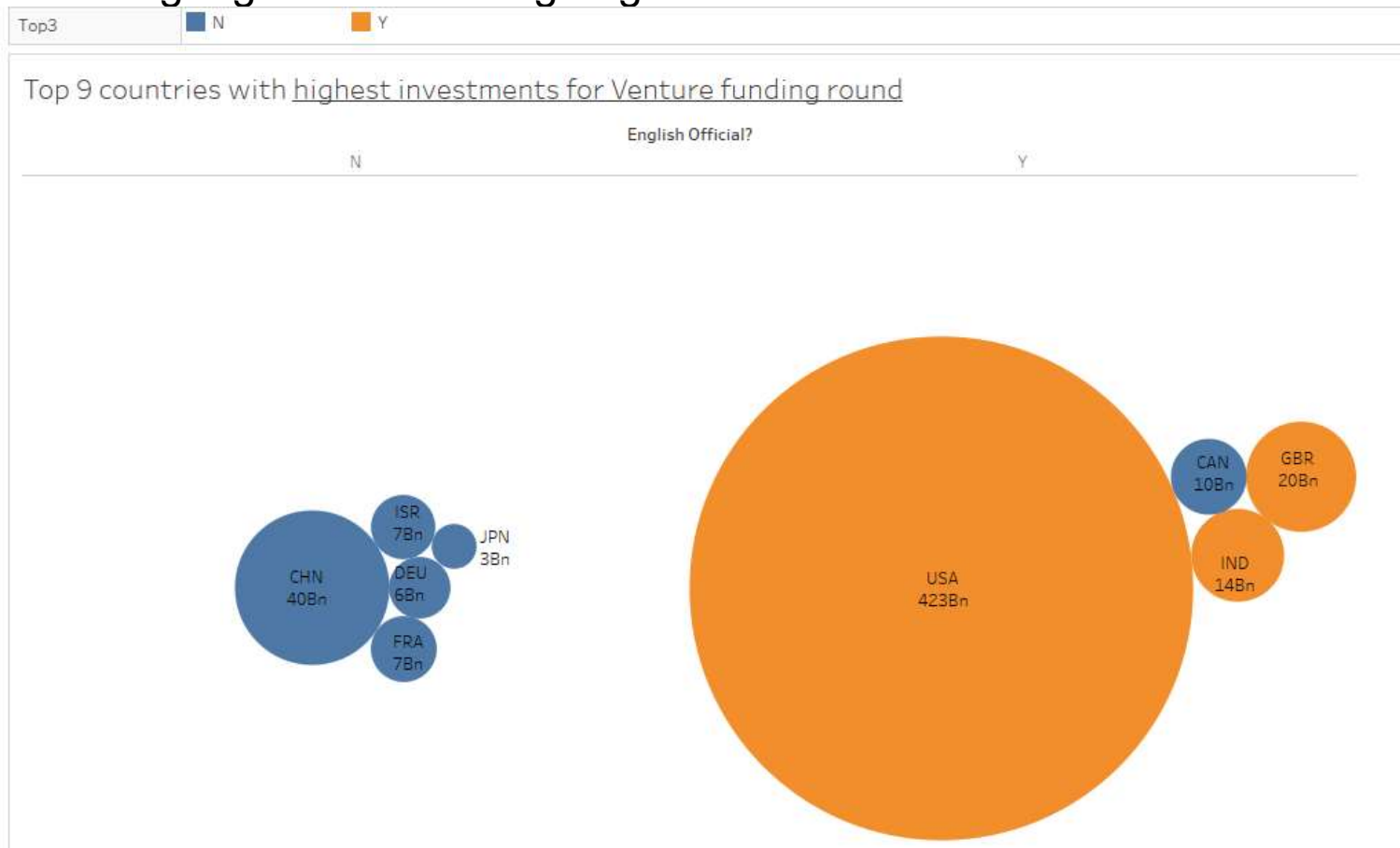
C. Suitable Funding Type

Below chart indicate that 'venture' funding is most suitable for Spark Funds, given the average amount is within USD 5m-15m`

Avg. amount from 'Venture' funding investment fall in the USD 5-15M range and hence suitable for Spark Funds
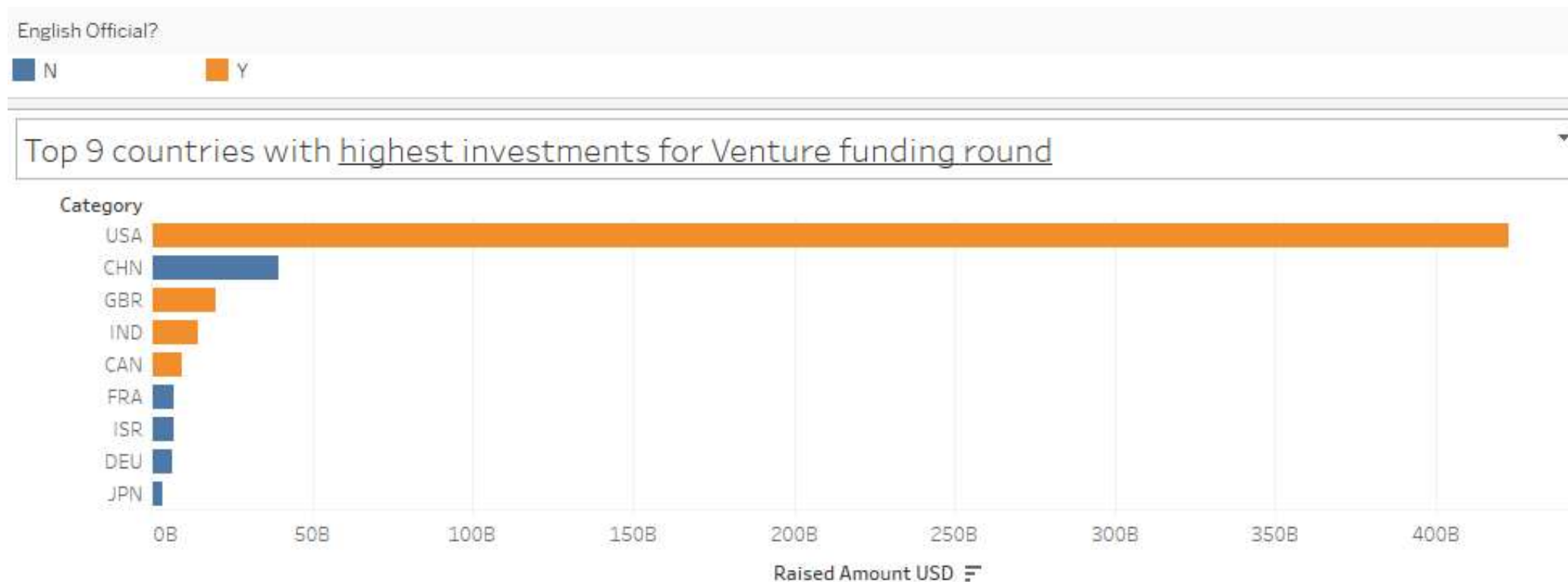
D. Top countries with investments

USA (United States), GBR (United Kingdom) and IND (India) are top 3 countries with English as their official language and attracting large amount of investments under 'Venture' funding type…

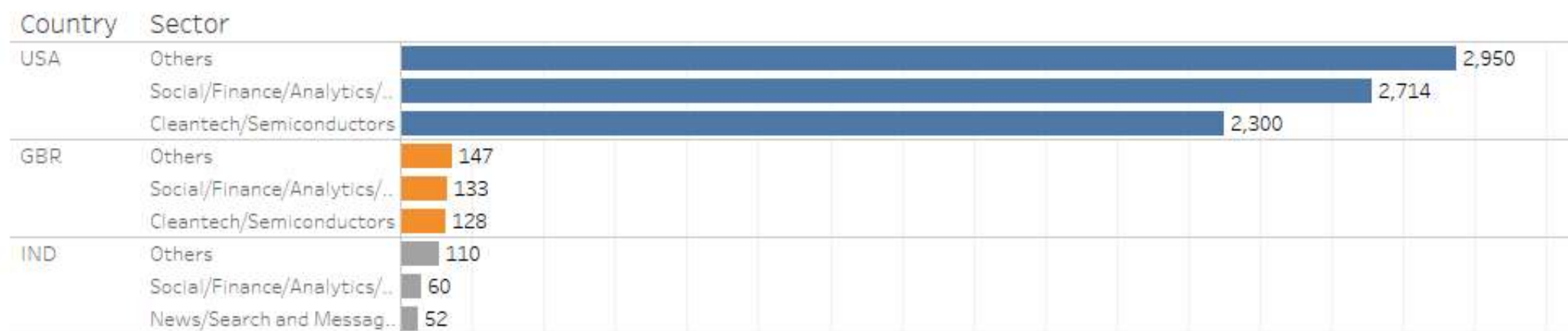USA (United States), GBR (United Kingdom) and IND (India) are top 3 countries with English as their official language and attracting large amount of investments under 'Venture' funding type…

Below chart highlight number of investments in top 3 sectors in top 3 countries for 'Venture' funding

Number of investments in the top 3 sectors of the top 3 countries for Venture funding

Country	Sector	
USA	Others	2,950
	Social/Finance/Analytics/..	2,714
	Cleantech/Semiconductors	2,300
GBR	Others	147
	Social/Finance/Analytics/..	133
	Cleantech/Semiconductors	128
IND	Others	110
	Social/Finance/Analytics/..	60
	News/Search and Messag..	52

F. Conclusions

- Spark Funds can choose to make its investment in the form **of 'Venture' funding** since it suits the investment range of USD 5-15m decided by them.

- With respect to investment destination, Spark can look at **United States, United Kingdom and India**, which are top 3 countries with maximum investments in the current trend and also have English as one of their official languages

- Further, among the key investment sectors in above countries, we have identified following which attract high number of investments, which Spark Funds can look at:

United States USA
- Others (includes E-commerce)
- Social, Finance, Analytics, Advertising
- Cleantech / Semiconductors

United Kingdom GBR
- Others (includes E-commerce)
- Social, Finance, Analytics, Advertising
- Cleantech / Semiconductors

India IND
- Others (includes E-commerce)
- Social, Finance, Analytics, Advertising
- News/Search and Messaging