INVESTMENT CASE STUDY

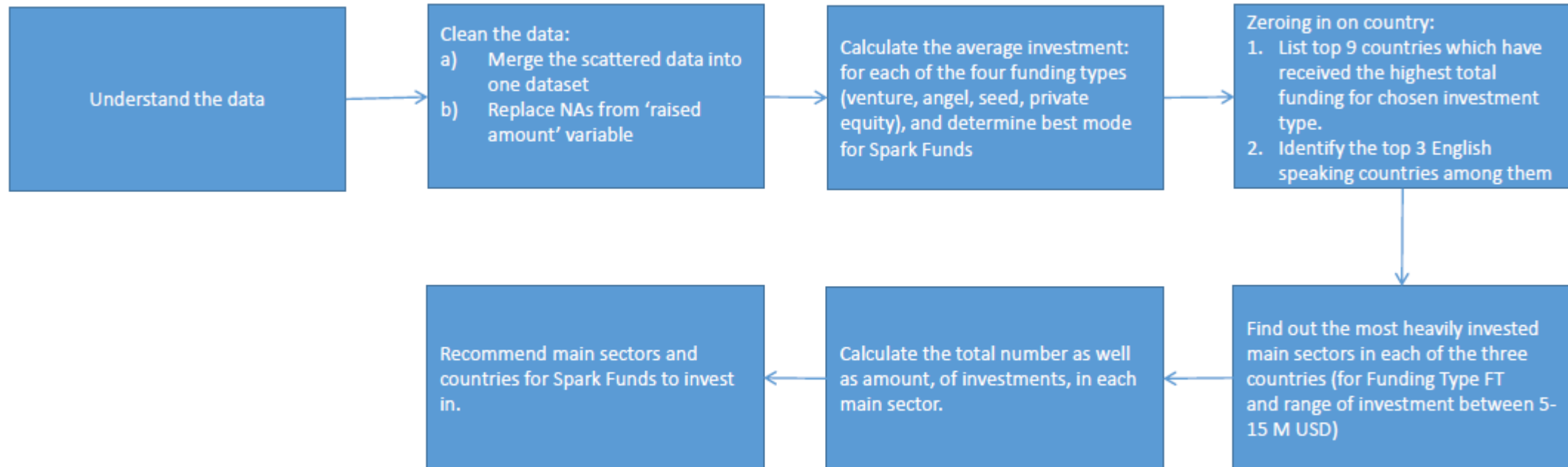# SUBMISSION

Group Name: Individual

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Finding suitable investment targets for Spark Funds

➢ Spark Funds wants to find the best companies to invest in. There are some constraints raised by Spark Funds, such as:

1. The investment to be made only in English speaking countries.

2. The investment should be made in the sectors where most investors are investing.

➢ In addition to the above, Spark funds wants to invest between 5 to 15 million USD per round of investment.

➢ In regards to the above constraints, the problem statement can be identified as below,

i. To find Spark Funds Hot favourites countries i.e. to find the best countries (countries which had most investments in past)

ii. To find Spark Funds suitable investment type i.e. to understand investments in seed/angle, venture, private equity categories etc. so that Spark Funds can formulate their investment strategy.

iii. To find the best sector for Spark Funds i.e. to understand the distribution of investment across eight main sectors and come up with best sector for Spark Funds.

Problem solving methodology

Understand the data

Clean the data:
a) Merge the scattered data into one dataset
b) Replace NAs from 'raised amount' variable

Calculate the average investment: for each of the four funding types (venture, angel, seed, private equity), and determine best mode for Spark Funds

Zeroing in on country:
1. List top 9 countries which have received the highest total funding for chosen investment type.
2. Identify the top 3 English speaking countries among them

Recommend main sectors and countries for Spark Funds to invest in.

Calculate the total number as well as amount, of investments, in each main sector.

Find out the most heavily invested main sectors in each of the three countries (for Funding Type FT and range of investment between 5-15 M USD)

Most Suitable Type of Investment: Venture Type

Data from 66368 unique companies were analyzed , average funding dispensed in each type of investment is shown below:

Average Values of Investments for Each of these Funding Types		
Sl.No	Questions	Answer
1	Average funding amount of venture type	$11,633,980
2	Average funding amount of angel type	$2,729,305
3	Average funding amount of seed type	$2,695,732
4	Average funding amount of private equity type	$6,385,924
5	Considering that Spark Funds wants to invest between **5 to 15 million USD** per investment round, which investment type is the most suitable for them?	venture

Considering that Spark Funds wants to invest between 5 to 15 M USD per investment round, **venture type of investment is most suitable to Spark Funds**.

Country Analysis

Spark Funds wants to invest in English speaking countries where most investments are occurring.

Analysis logic:

• For chosen Funding Type (venture in our case) what are the top 9 countries based on the total investment amount each country has received ?

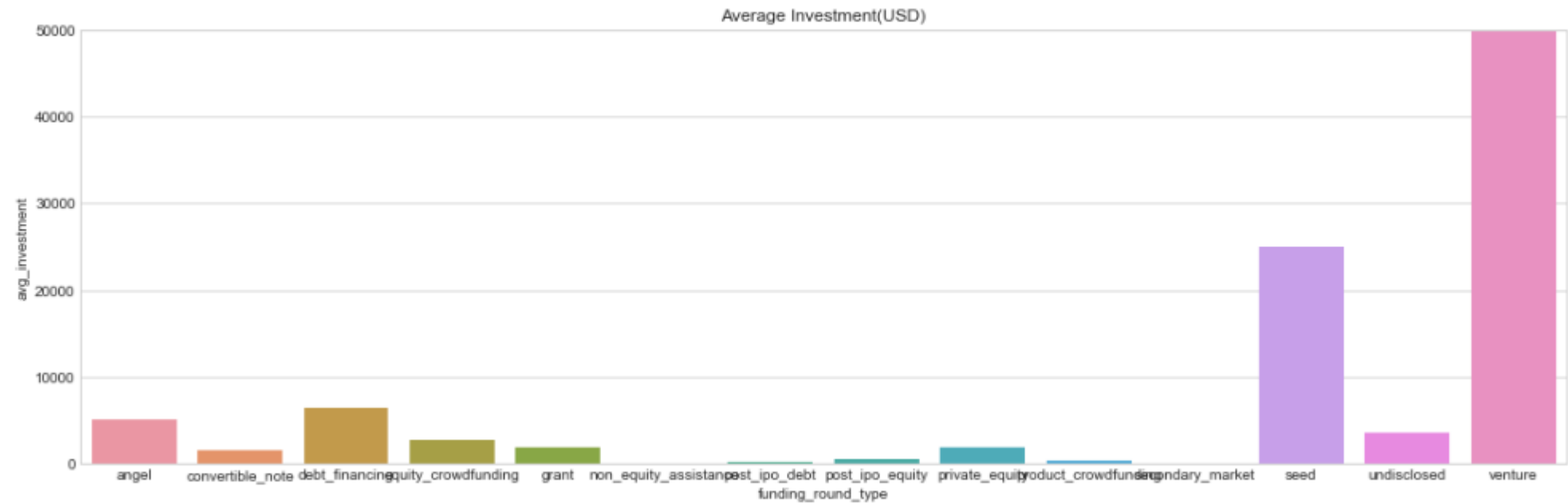• Out of top 9 countries identify top 3 English speaking country.

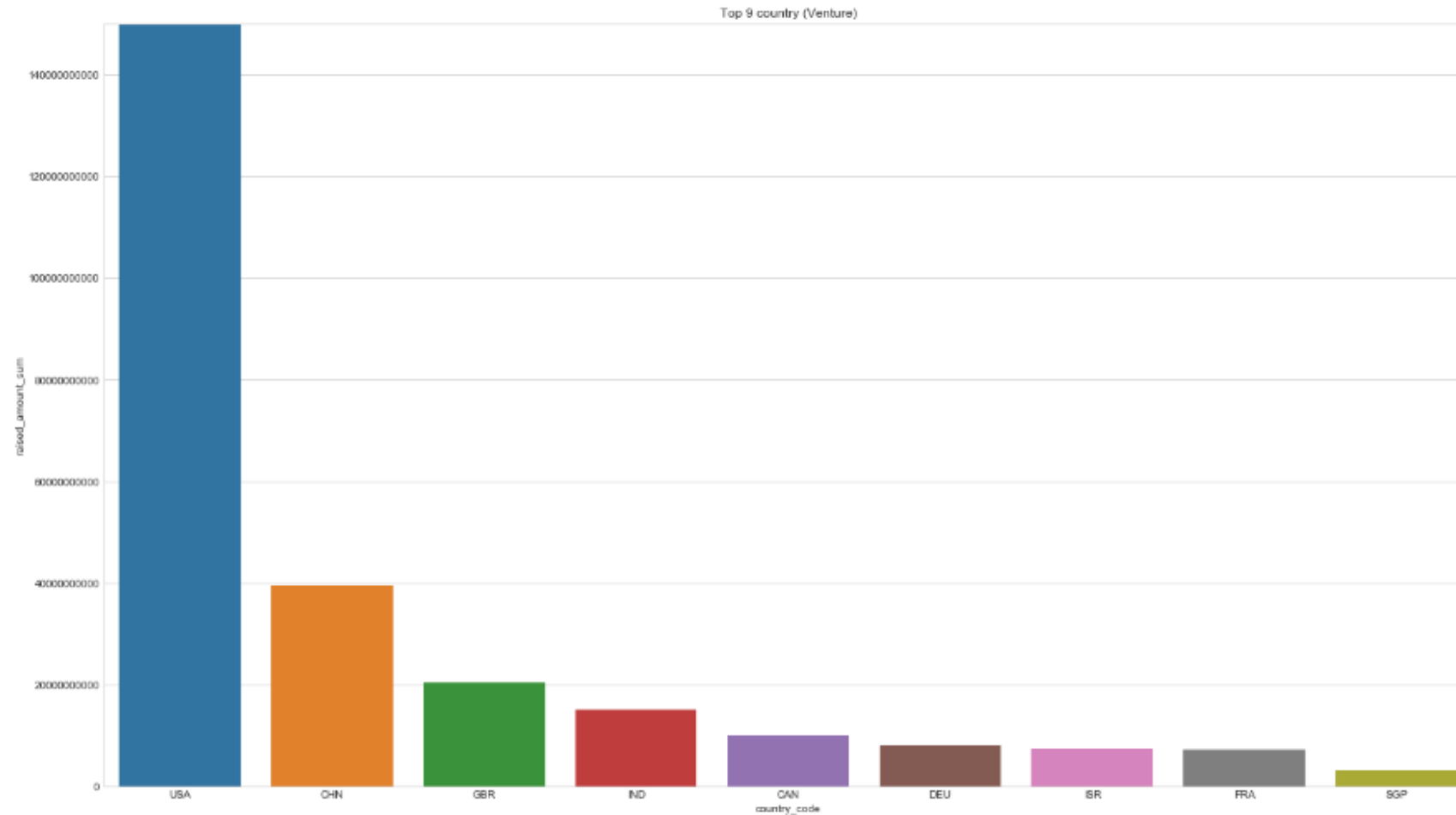| Analysing the Top 3 English-Speaking Countries		
Sl.No	Questions	Answers
1	Top English speaking country	United States of America
2	Second English speaking country	Great Britain
3	Third English speaking country	India

Sector Analysis

The analysis says that the most heavily invested main sectors in the 3 top English speaking countries (for funding type venture and investment range between 1-15 M USD). Across the three countries the most powerful sector was 'Others'. Some of the findings shown as below.

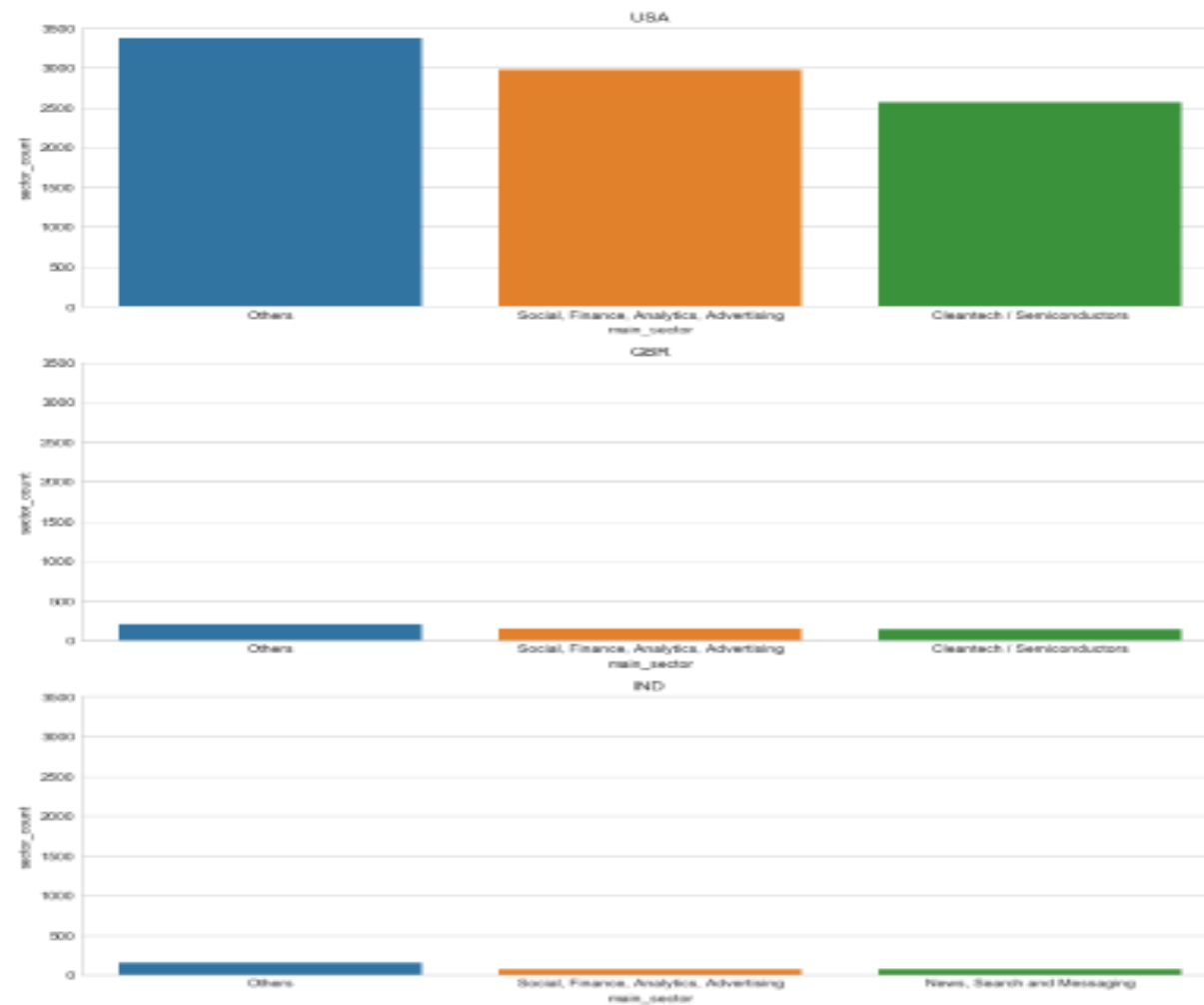| Sl.no	Questions	C1	C2	C3
		Sector-wise Investment Analysis		
1	Total number of Investments (count)	13701	765	460
2	Total amount of investment (USD)	125368883289.43	7016492382.46	4351193552.89
3	Top Sector name (no. of investment-wise)	Others	Others	Others
4	Second Sector name (no. of investment-wise)	Social, Finance, Analytics, Advertising	Social, Finance, Analytics, Advertising	Social, Finance, Analytics, Advertising
5	Third Sector name (no. of investment-wise)	Cleantech / Semiconductors	Cleantech / Semiconductors	News, Search and Messaging
6	Number of investments in top sector (3)	3374.00	204.00	156.00
7	Number of investments in second sector (4)	2975.00	152.00	78.00
8	Number of investments in third sector (5)	2558.00	140.00	75.00
9	For point 3 (top sector count-wise), which company received the highest investment?	newScale	ip.access	CaratLane
10	For point 4 (second best sector count-wise), which company received the highest investment?	RainFinity	SilverRail Technologies	Roposo

Total investments (globally) in venture, seed, and private equity, and the average amount of investment in each funding type.

top 9 countries against the total amount of investments of Venture funding

Top 9 country (Venture)

Number of investments in the **top 3 sectors** of the **top 3 countries**

Conclusions

Recommended investing type : Venture Funding

Recommended target countries: United States, Great Britain, India

Recommended sectors in target countries:

In USA, GBR and IND:

- Social, Finance, Analytics, Advertising

- Others

In USA and GBR Only:

- Cleantech / Semiconductors

In IND only:

- News, Search and Messaging

Target Companies in USA:

- newScale

- RainFinity

Target Companies in GBR:

- ip.access

- SilverRail Technologies

Target Companies in IND

- CaratLane

- Roposo