

# INVESTMENT CASE STUDY

## SUBMISSION

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# Best Prospect to Invest for Spark Funds

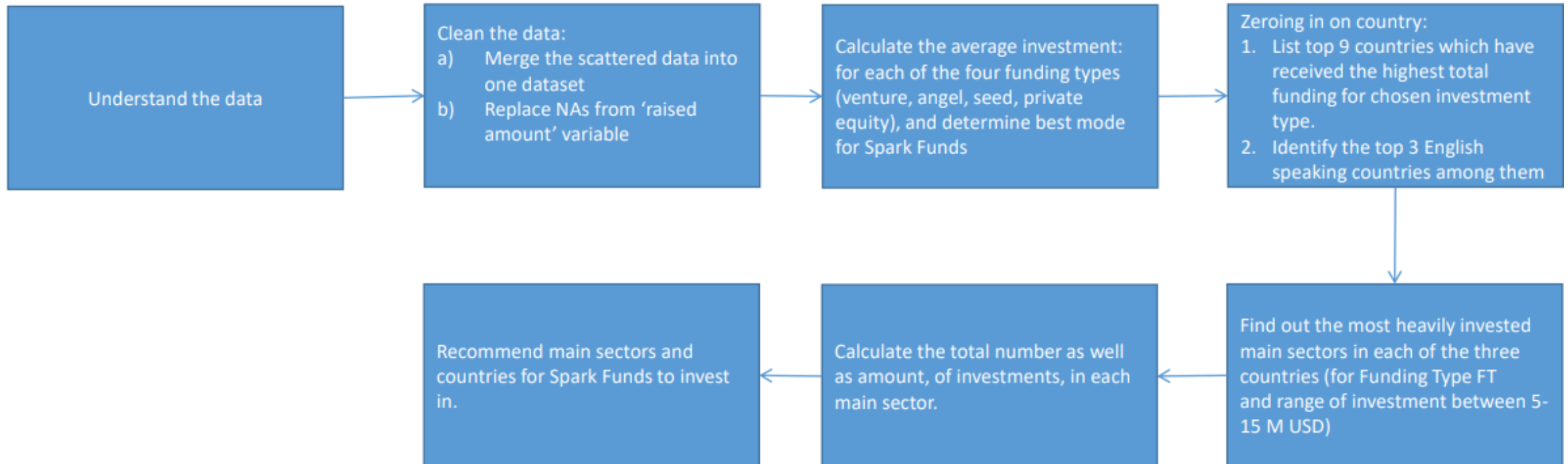
## **Problem Statement :**

- Best countries: which countries have had the most investments in the past? These will be Spark Funds' favorites
- A suitable investment type: to understand investments in venture, seed/angel, private equity categories etc. so Spark Funds can decide which type is best suited for their strategy.
- The best sector: Understanding the distribution of investments across the 8 main sectors, so as to find the “best sector” for Spark Funds' investment strategy

## **Constraints to be kept in mind:**

- The investment should be made only in English-speaking countries.
- The investment should be made in the sector where most other investors are investing
- Investment cap is between 5 to 15 million USD per round of investment.

# Problem solving methodology



## Venture- The Best suited Funding Type

- Data from a total of 66368 unique companies were analyzed
- Average funding dispensed in each type of investment is shown below:

Average funding amount of venture type	11748949.1
Average funding amount of angel type	958694.5
Average funding amount of seed type	719818
Average funding amount of private equity type	73308593

- Considering that Spark Funds wants to invest between 5 to 15 million USD per investment round, venture type of investment is most suitable for them

# Country Based Analysis

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

**Analysis step 1:** For the chosen (venture) investment type, what are the top 9 countries based on the total investment amount each country has received?

**Analysis step 2:** Among the above top 9 countries, we identify the top 3 English speaking countries:

Top English speaking investment destinations

1	Top English speaking country	USA
2	Second English speaking country	GBR
3	Third English speaking country	IND

## Sector Based Analysis

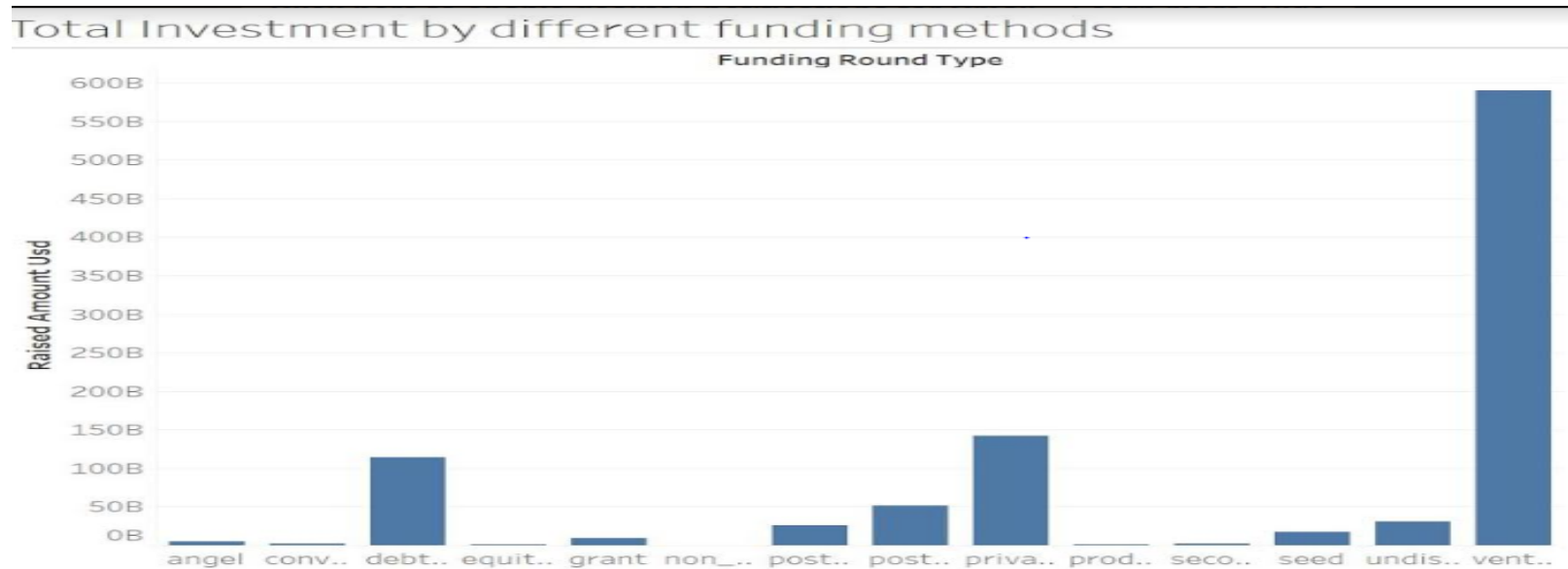
- We found the heavily invested main sectors in the 3 countries for funding type venture, and investment range between 5-15 M USD. The result is :

Findings	USA	GBR	IND
Total number of Investments (count)	11149	577	299
Total amount of investment (USD)	99661524549	5028704358	2683537552
Top Sector name (no. of investment-wise)	Others	Others	Others
Second Sector name (no. of investment-wise)	Cleantech...Semiconductors	Cleantech...Semiconductors	News..Search.and.Messaging
Third Sector name (no. of investment-wise)	Social..Finance..Analytics..Advertising	Social..Finance..Analytics..Advertising	Entertainment
Number of investments in top sector (3)	2923	143	109
Number of investments in second sector (4)	2297	127	52
Number of investments in third sector (5)	1912	98	33
For point 3 (top sector count-wise), which company received the highest investment?	virtustream	electric-cloud	firstcry-com
For point 4 (second best sector count-wise), which company received the highest investment?	biodesix	eusa-pharma	gupshup-technology-india-pvt-ltd

- Across the three countries, the most popular sector was “Others”.

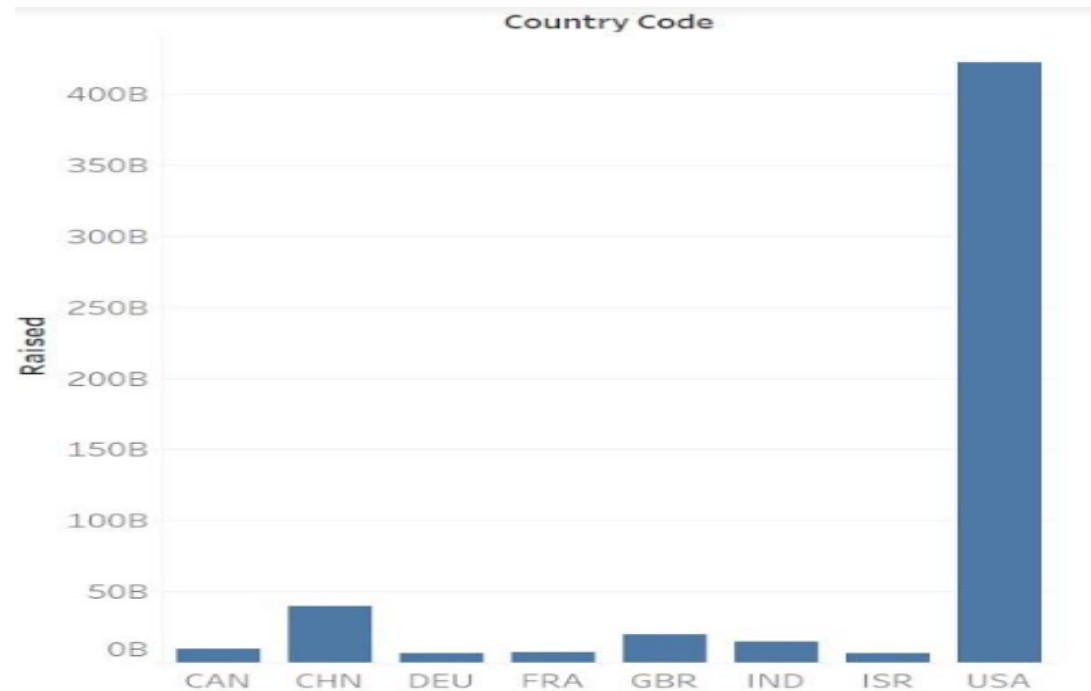
## Top investment method- venture type investing

**Plot1:** This plot shows the total global investments in venture, seed and private equity and the average amount of investment in each funding type. It shows that venture type investment is most suitable for Spark Funds.



## Top countries by total investment

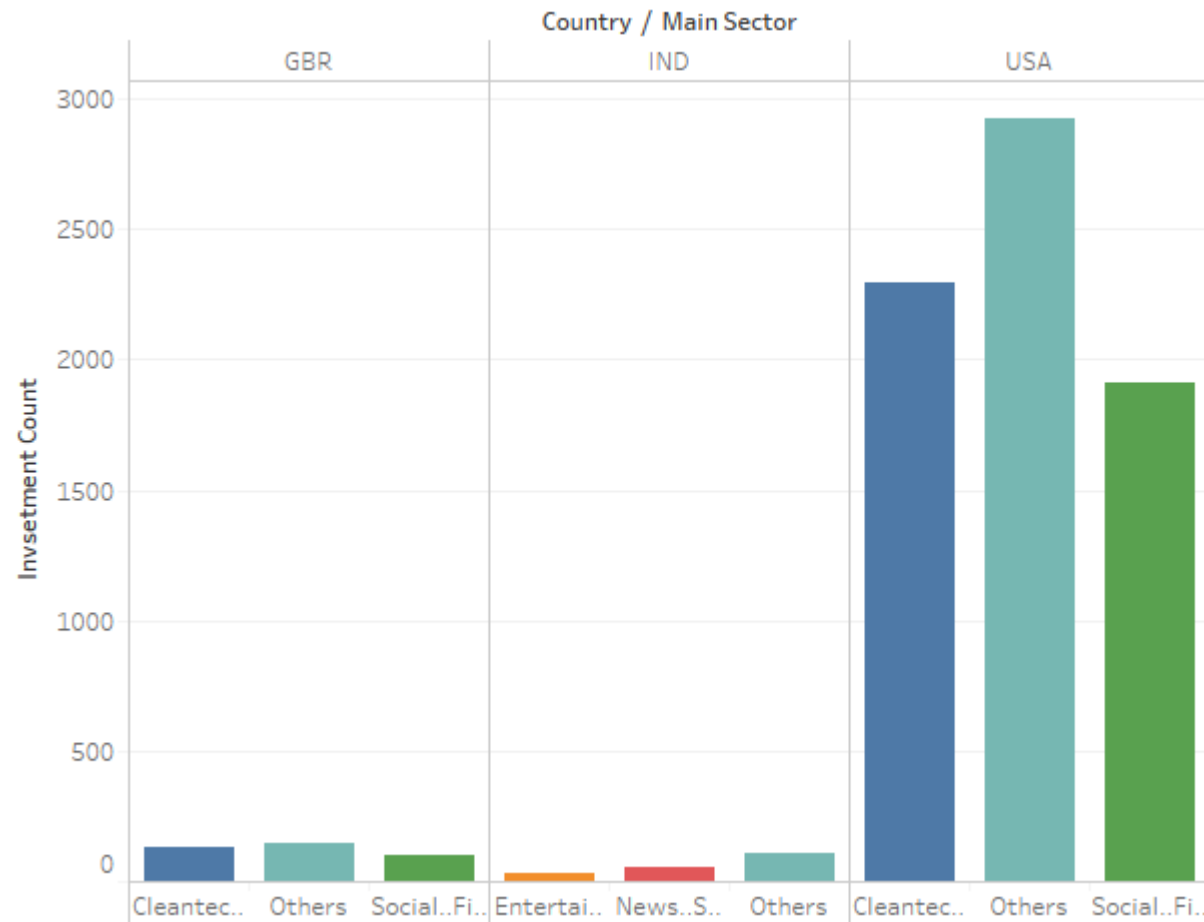
**Plot 2:** Bar chart showing top 9 countries against the total amount of investments of funding type Venture.





## No. of investments in top sectors for top countries

Plot 3: This plot shows the number of investments in the top 3 sectors of the top 3 countries on one chart (for the chosen venture funding investment type).



## Conclusions :

Recommended type of investing:

- ✓ venture funding

Recommended target countries:

- ✓ USA, Great Britain, India

Recommended sectors in USA,GBR,IND:

- ✓ Others

Recommended sector in USA,GBR only:

- ✓ Cleantech / Semiconductors
- ✓ Social,Finance,Analytics and Advertising

Recommended sector in IND only:

- ✓ News, Search and Messaging
- ✓ Entertainment