

INVESTMENT CASE STUDY

SUBMISSION

Group Name: Data Troopers

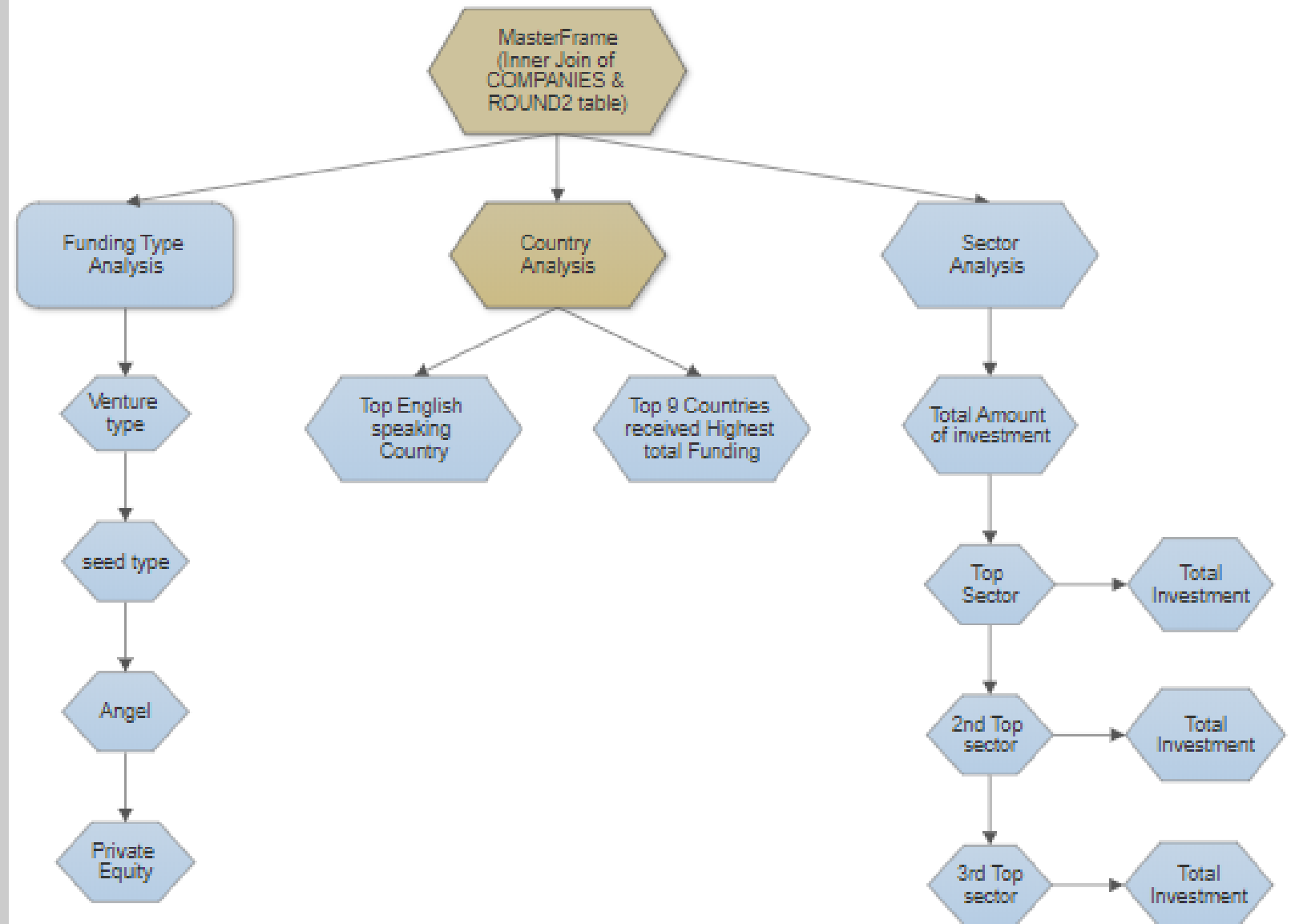
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Abstract:

We propose that potential entrants learn about industry conditions from observing the investment behavior of established firms. Strong corporate governance at established firms facilitates learning spillovers. Empirically, we find that industries experience more entry if incumbent firms invest more. The sensitivity of entry to investment activity is much higher in industries with strong corporate governance. Moreover, consistent with the learning hypothesis, the effects are strongest for industries with less informative stock prices and when exposure to industry-level uncertainty is high.

Our objective is to identify the best sectors, countries, and a suitable investment type for making investments. The overall strategy is to invest where others are investing, implying that the 'best' sectors and countries are the ones 'where most investors are investing'.

Approach to Analysis



Analysis:

Investment type analysis:

We are comparing the typical investment amounts in the venture, seed, angel, private equity etc. so that Spark Funds can choose the type that is best suited for their strategy.

- There are total of 66368 unique companies analyzed.
- The most popular and suitable investment type is found be to: Venture

Average funding amount in Venture type	\$11.75M
Average funding amount in Seed type	\$0.72M
Average funding amount in Angel type	\$0.96M
Average funding amount in Private equity type	\$73.3M
Most suitable investment type (between \$5 to \$15 M)	Venture

Country analysis:

Here, we are Identifying the countries which have been the most heavily invested in the past like the top nine countries which have received the highest total funding (across ALL sectors for the chosen investment type)

Also we analyzed the top 3 english speaking country:

Top English speaking country	USA
Second English speaking country	GBR
Third English speaking country	IND

Here USA tops the list with \$ 422510.842796M

Sector Analysis:

Here we analyzed eight main sectors (named **main_sector**) listed in the mapping file. This is to simplify the analysis by grouping the numerous category lists (named 'category_list') in the mapping file. For example, in the mapping file, category_lists such as '3D', '3D Printing', '3D Technology', etc. are mapped to the main sector 'Manufacturing'.

Also, for some companies, the category list is a list of multiple sub-sectors separated by a pipe (vertical bar |). For example, one of the companies' category_list is Application Platforms|Real Time|Social Network Media.

Post discussing with the CEO, the **business rule** is like the first string before the vertical bar will be considered the **primary sector**. In the example above, 'Application Platforms' will be considered the primary sector.

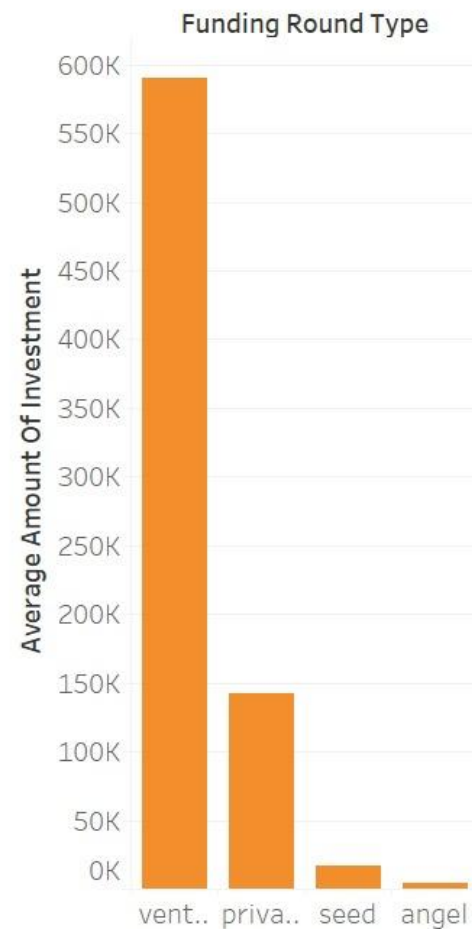
We have found that if you wants to invest between 5 to 15 million USD per investment round, Venture investment type is the most suitable for the firm

Count	94959
Unique	14
Top	Venture
Frequency	50228

Results:

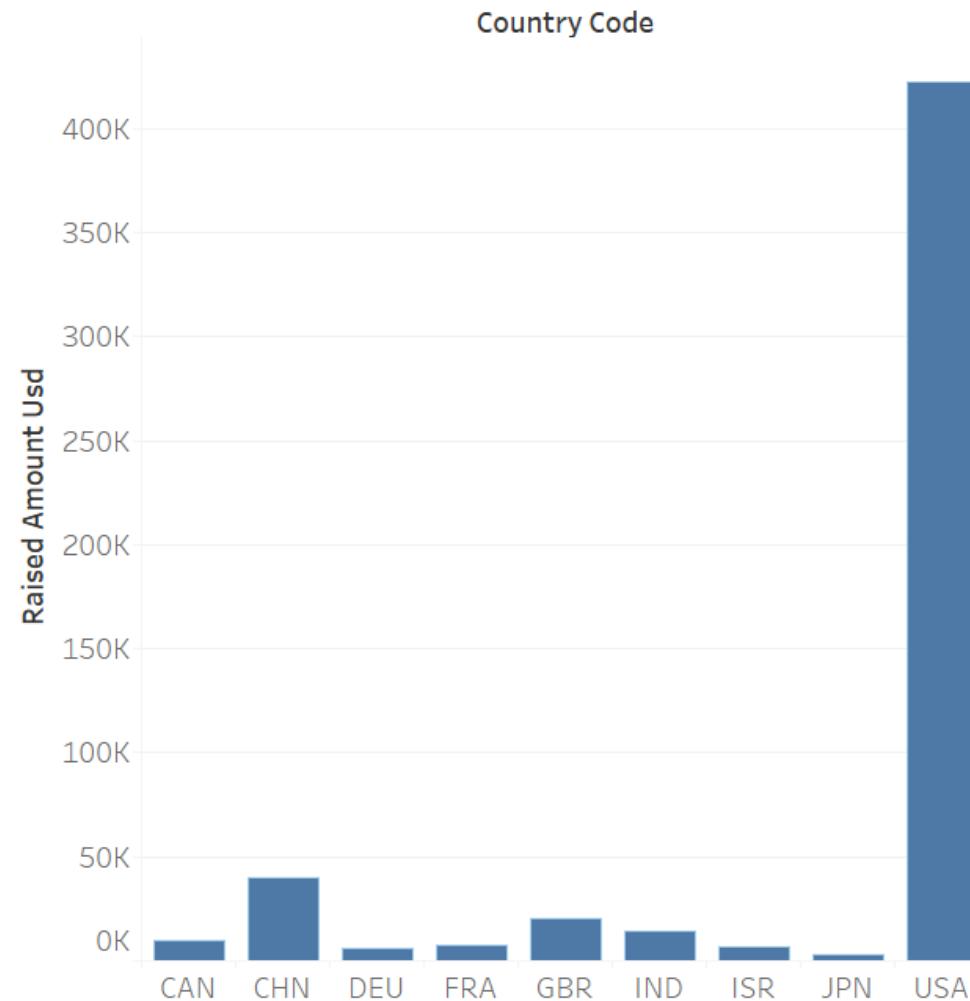
a) Fraction of total investments (globally) in venture, seed, and private equity, and the average amount of investment in each funding type.

Total Investment Globaly



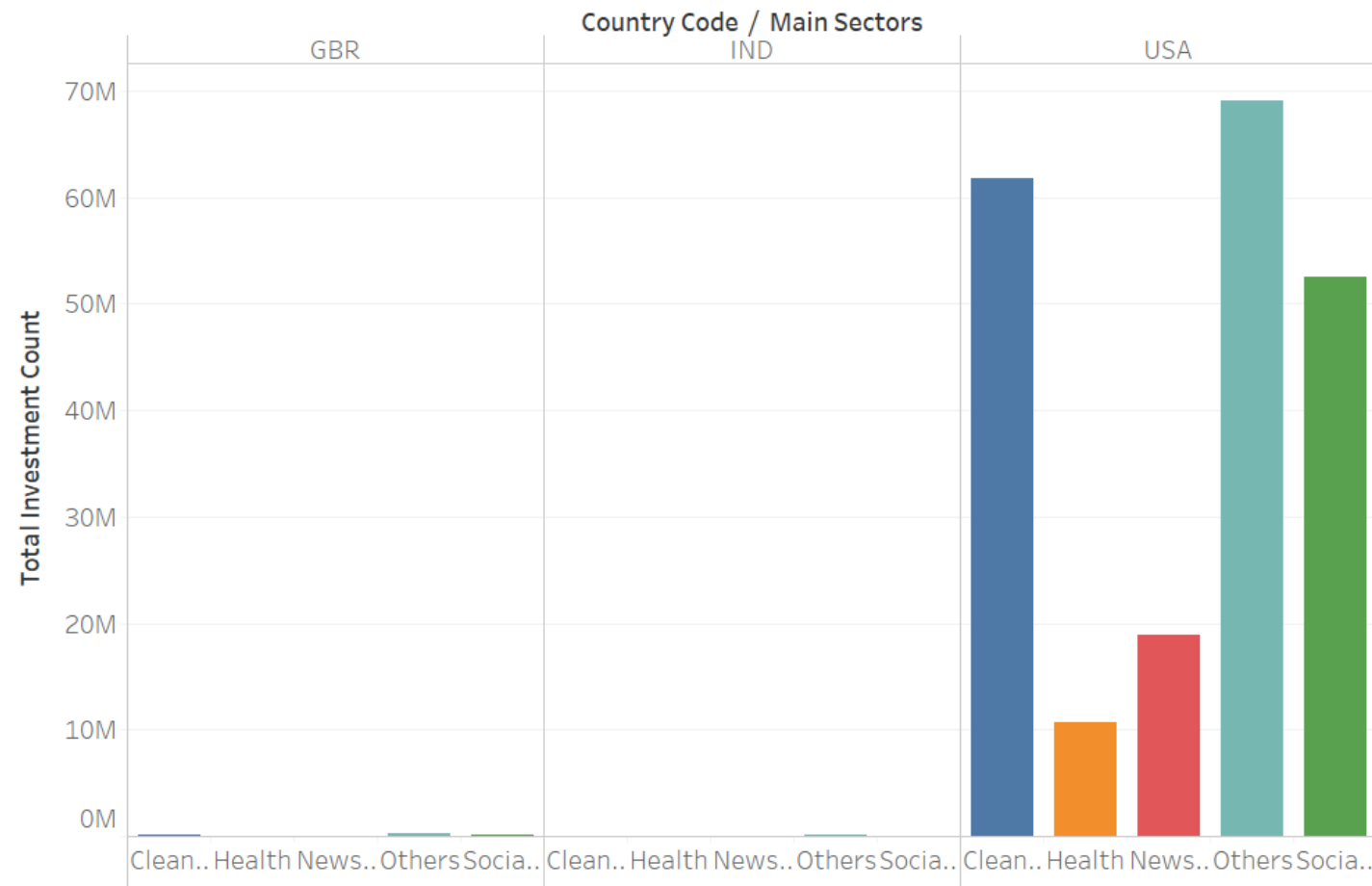
b) Plot showing the top 9 countries against the total amount of investments of funding type FT.

Top 9 Countries



c)Plot showing the number of investments in the top 3 sectors of the top 3 countries

Number Of Investment



Conclusion:

We have concluded the total number of investments in top 3 countries grouped by each sector name are as follows:

We can see that the top sector is Others for all the countries are listed below.

Importantly companies like Social-finance, Oneweb and Flipkart received the highest investment in the countries USA , Great Britain and India respectively

	USA	GBR	IND
Top Sector name	Others	Others	Others
Second Sector name	Cleantech / Semiconductor	Cleantech / Semiconductor	Social, Finance, Analytics, Advertising
Third Sector name	Social, Finance, Analytics, Advertising	Social, Finance, Analytics, Advertising	News, Search and Messaging
Company received the highest investment in top sector	social-finance	oneweb	flipkart
Company received the highest investment in second top sector	freescale	immunocore	shopclues-com