

INVESTMENT ASSIGNMENT SUBMISSION

Name:

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Sparks Funds – Investment Analysis

Spark Funds wants to make investments in a few companies. 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'.

Business Constraints :

- 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.

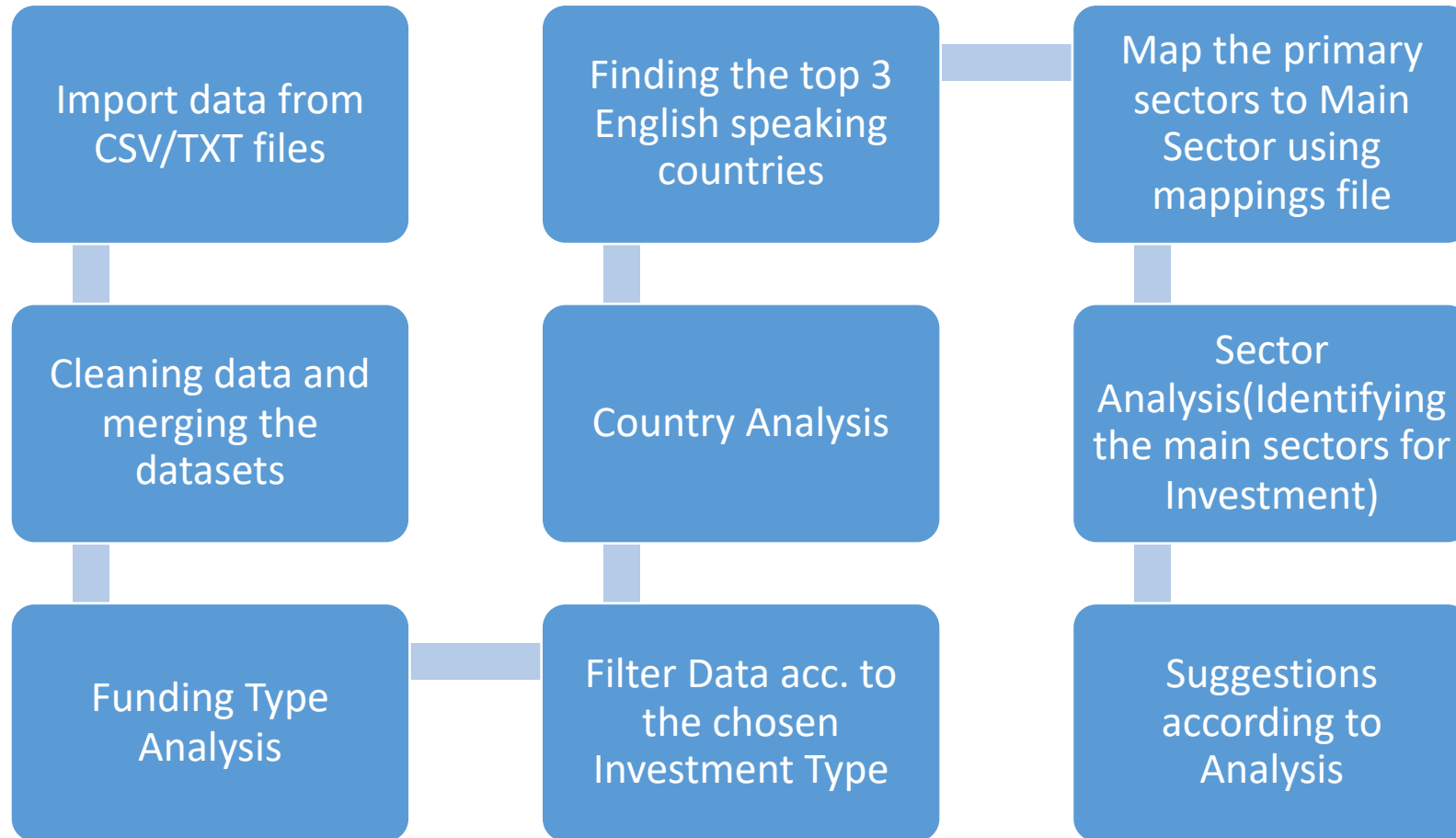
Business Objective :

- To identify the best sectors, countries, and a suitable investment type for making investments.

Goals of Data Analysis :

1. Funding type analysis (Understand the funding type best suited for investment)
2. Country specific analysis (Understanding which countries have been the most heavily invested)
3. Sector Analysis (Understanding the distribution of investments across the main sectors)

Problem Solving Approach

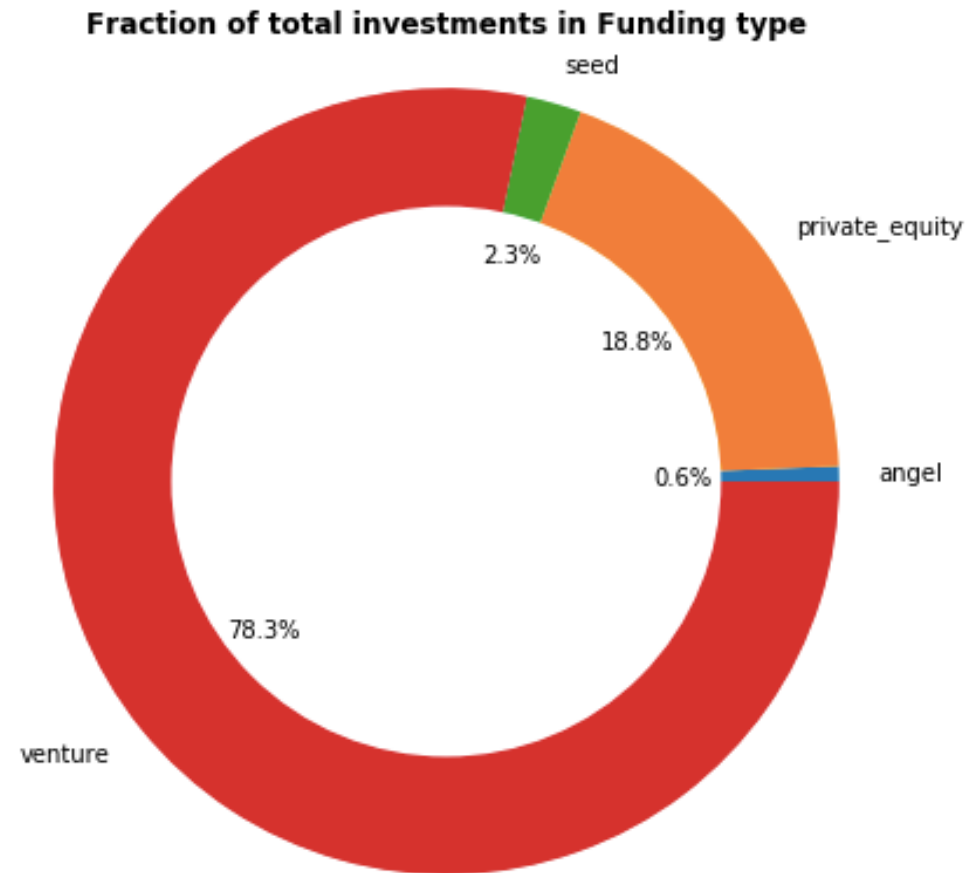


Funding Type	Median Investment (in Millions)	Average Investment (in Millions)
Angel	0.4	0.95
Private Equity	20	73
Seed	0.275	0.7
Venture	5	11.7

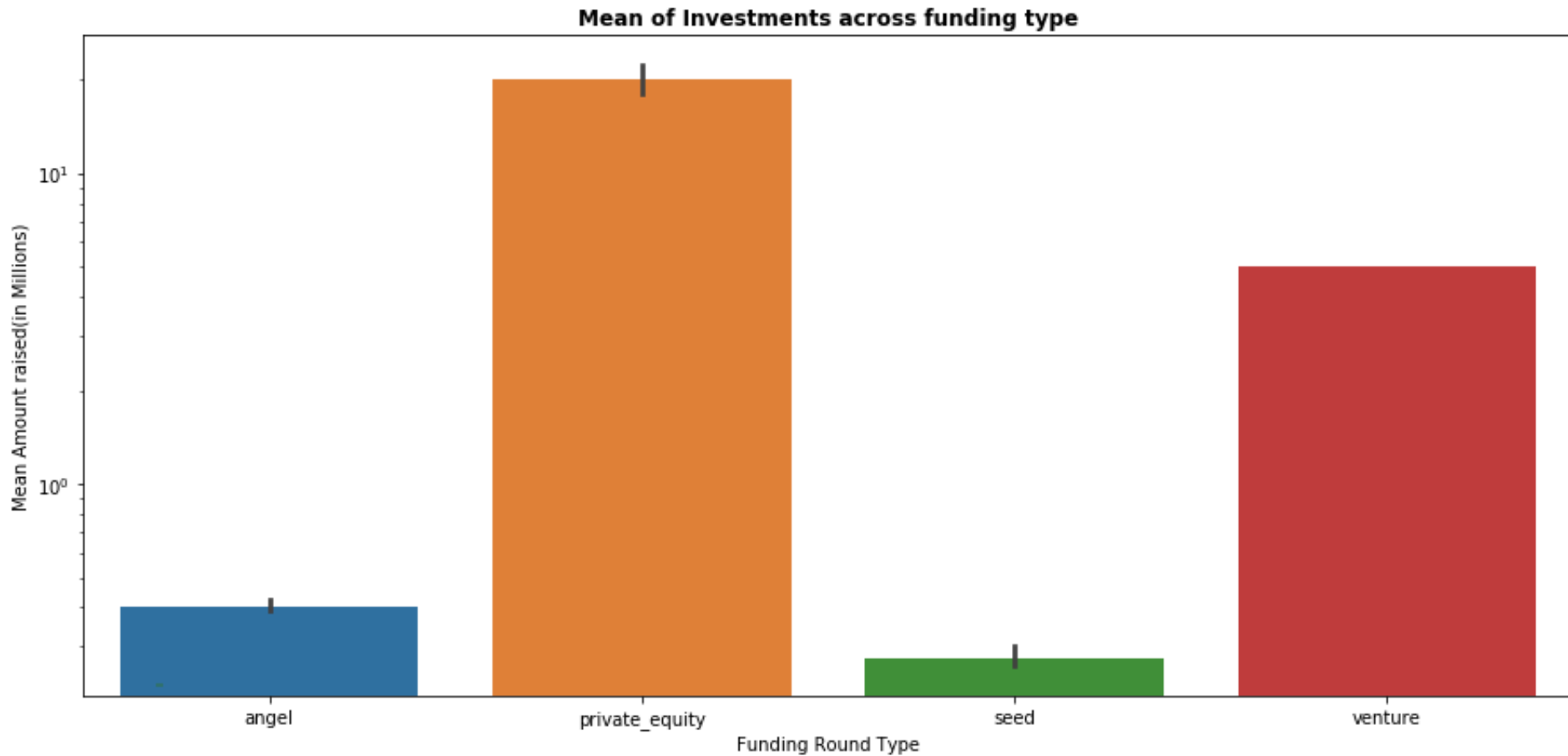
Investment Type Analysis

- Spark Funds wants to choose one of these four investment types (Angel, Seed, Venture and Private Equity) for each potential investment they will make.
- Since the data had several comparatively very high values(left skewed), we have chosen median as our most representative value for analysis.
- Based on our analysis, the best funding type for Spark Funds would be Venture since it is the only funding type with average/median investment between 5-15M.

Funding Type Analysis



Funding Type Analysis

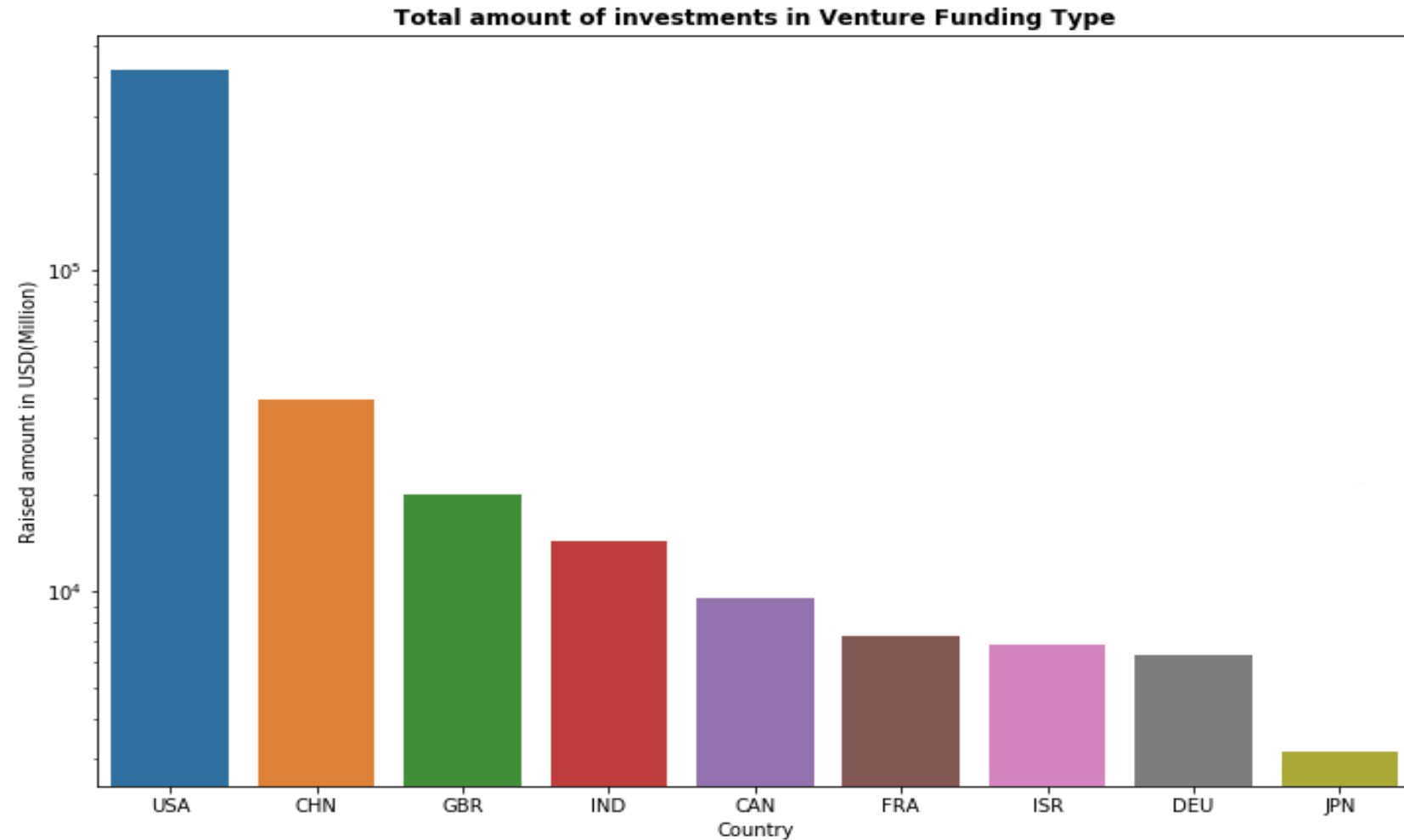


Country Code	Total Investment (In Million)
USA	420068.03
CHN	39338.92
GBR	20072.81
IND	14261.51
CAN	9482.22
FRA	7226.85
ISR	6854.35
DEU	6306.92
JPN	3167.65

Country Analysis

- We have identified the top nine countries which have received the highest total funding
- USA has the most investment in the Venture Funding type.
- China comes at 2nd but English is not the official language in China.
- Three most investment-friendly countries and the most suited funding type for Spark Funds will include:
 - ❖ United States of America
 - ❖ United Kingdom
 - ❖ India

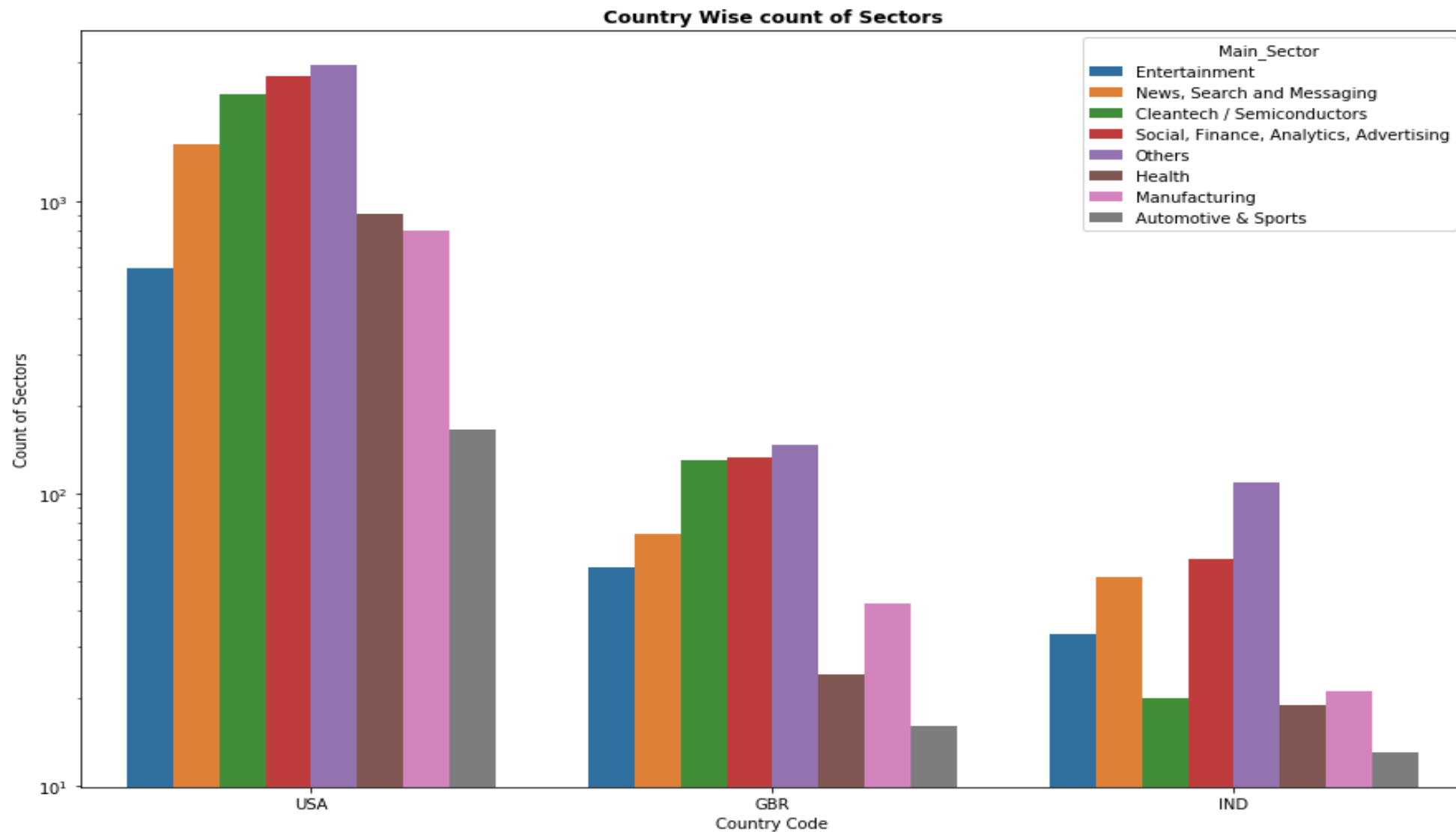
Plot showing investments across countries



Sector Analysis

Country	Best 3 Sectors	No. of investments in Sector	Company with Highest Investment in Sector
USA	Others	2950	Virtustream
	Social, Finance, Analytics & Advertising	2714	SST Inc. (Formerly ShotSpotter)
	Cleantech / Semiconductors	2350	Biodesix
GBR	Others	147	Electric Cloud
	Social, Finance, Analytics & Advertising	133	Celltick Technologies
	Cleantech / Semiconductors	130	EUSA Pharma
IND	Others	110	FirstCry.com
	Social, Finance, Analytics & Advertising	60	Manthan Systems
	News, Search and Messaging	52	GupShup

Investments across Sectors in top countries



Conclusion

- Based on our analysis, **Venture funding type** is best suited for investment by Spark Funds.
- Most suitable countries to invest are: **USA, UK and India**
- The sectors to invest in these countries are as following :

1. USA :

Best Sectors : Others, Social, Finance, Analytics & Advertising and Cleantech / Semiconductor

Best Companies : Virtustream , SST Inc.

2. UK :

Best Sectors : Others, Social, Finance, Analytics & Advertising and Cleantech / Semiconductors

Best Companies : Electric Cloud , Celltick Technologies

3. India :

Best Sectors : Others, Social, Finance, Analytics & Advertising and News, Search and Messaging

Best Companies : Firstcry.com , Manthan Systems