

Spark Funds

INVESTMENT CASE STUDY

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Business Objectives & Strategy

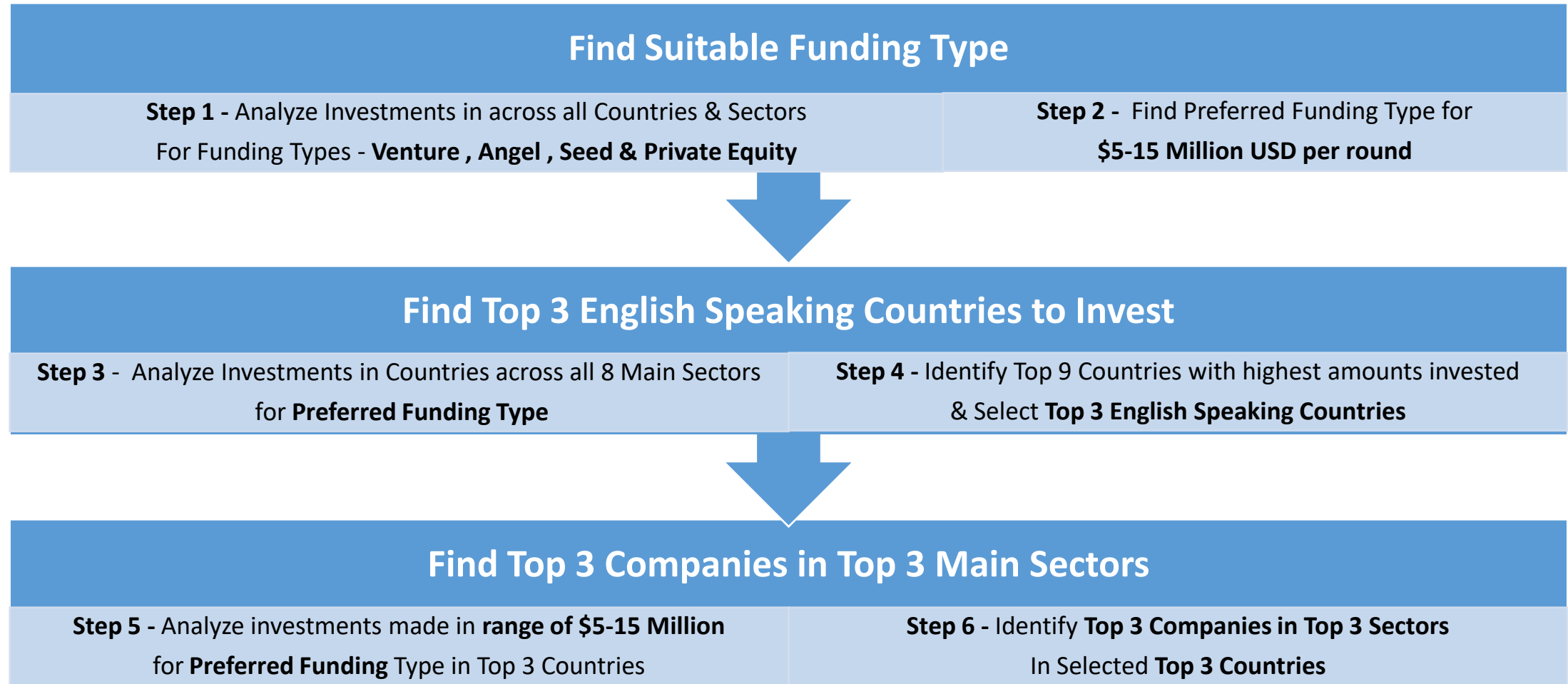
Objective

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

Strategy

- Refer the publicly available investment data from *Crunchbase.com*
- Analyze and find **best Sectors** and **Countries** where most investors are investing.
- Keep investments between **5 to 15 million USD** per round of investment.
- For ease of communication, invest only in **English-Speaking** countries.

Problem Solving Methodology – Analysis Flow



Investment Type Analysis

Table below shows the average investment made in the four major Investment Types. Depending on these investments we can decide which type is best suited for our strategy.

Investment Type	Average Investments (in Millions USD)
Venture	\$ 11.70
Angel	\$ 00.95
Seed	\$ 00.72
Private Equity	\$ 73.30

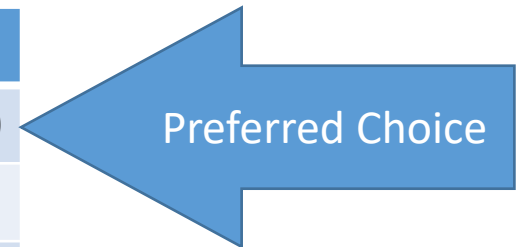
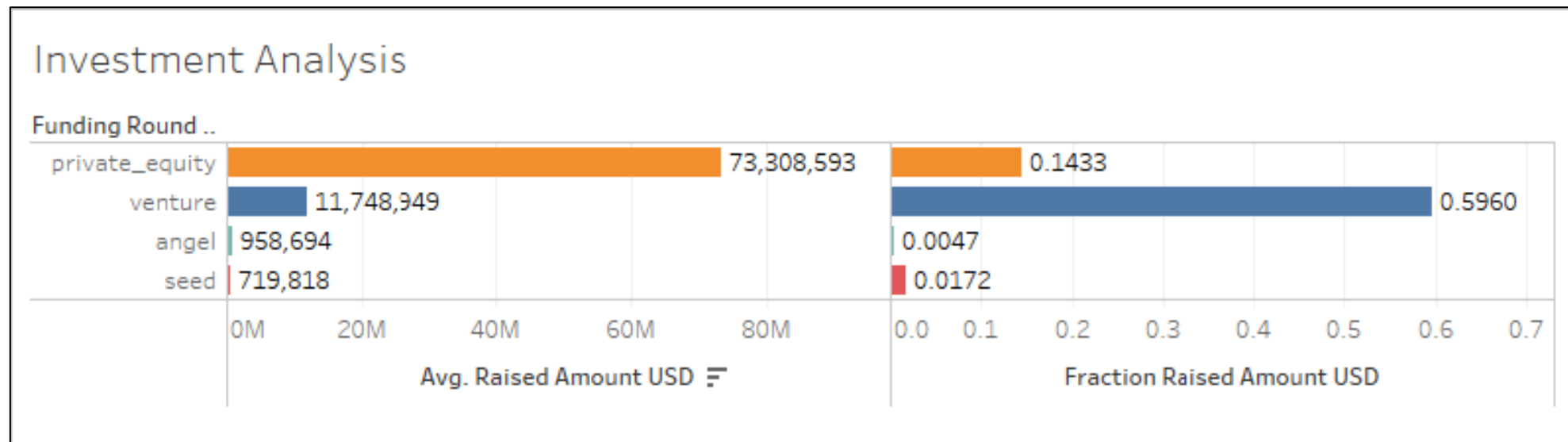


Table: Investment Type vs Average Investments in Millions

Since Sparks Fund criteria is to invest only between 5 to 15 Million USD, we are preferring “Venture Investment Type”.

Investment Type Analysis



Plot: Shows two graphs – one showing average Investments Raised (in USD) among the 4 Funding Types and the other showing the Fraction of Investments.

Top Countries for Venture Investments

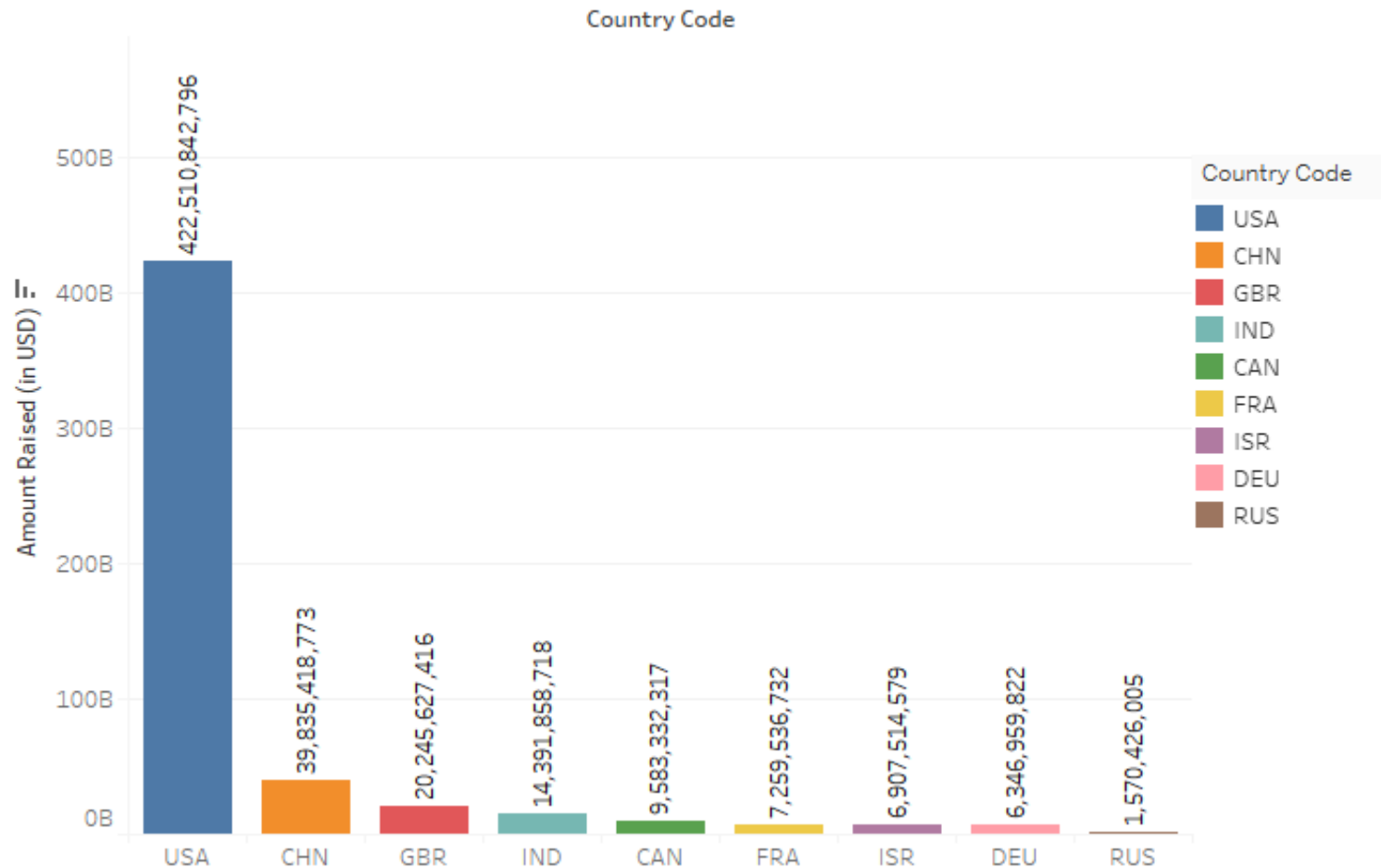
The next step would be to find out where are most of the investments in the world is happening. Based on that we can decide in which country we can get most companies to invest.

Rank	Country	Official Language	Investment in Billion
1	USA	English	\$ 422.5
2	China	Mandarin	\$ 39.8
3	Great Britain	English	\$ 20.2
4	India	English	\$ 14.4
5	Canada	English	\$ 9.5
6	France	French	\$ 7.2
7	Israel	Hebrew	\$ 6.9
8	Germany	German	\$ 6.3
9	Japan	Japanese	\$ 3.3

Table: Shows rank wise list of all Countries which had Highest Investments.

Top Countries for Venture Investments

Country Analysis - Top 9 Countries for Venture Funding



United States of America, Great Britain and India are clear choice of preferred English Speaking countries.

Plot: Showing Venture Investments spread across the top 9 countries.

Sector Analysis - For Venture Funding

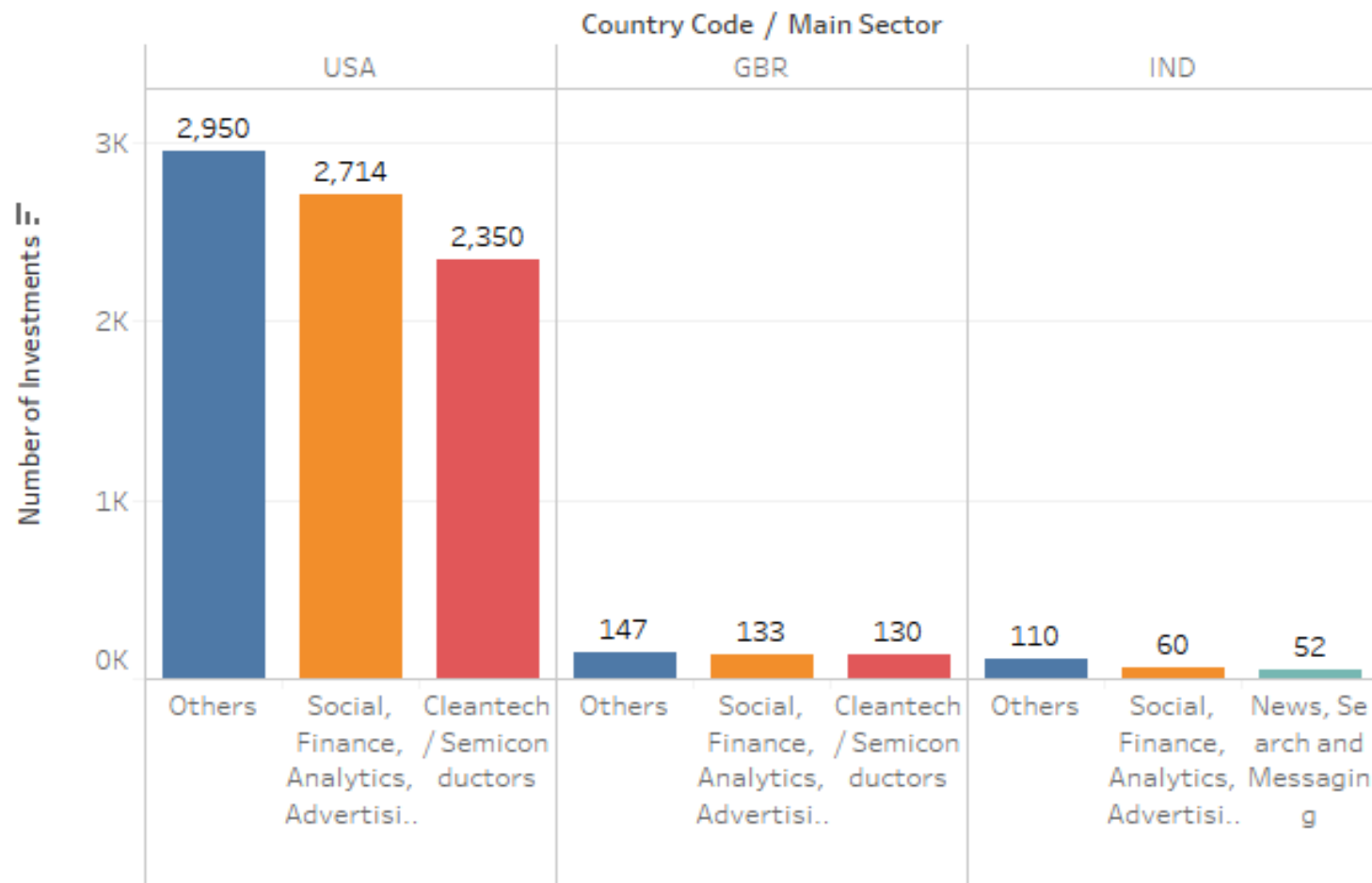
Based on the top 3 countries selected previously, for maximum gain it is preferred to invest in the most popular sectors in the respective companies. Below table shows the distribution of investments in the 3 major sectors of each countries.

Sector Ranking	United States of America	Great Britain	India
First	Others	Others	Others
Second	Social, Finance, Analytics, Advertising	Social, Finance, Analytics, Advertising	Social, Finance, Analytics, Advertising
Third	Cleantech / Semiconductors	Cleantech / Semiconductors	News, Search and Messaging

Table: Shows the 3 most popular investment sectors in USA, Great Britain and India.

Sector Analysis - For Venture Funding

Top 3 Country vs Top 3 Sectors



Plot: Shows the distribution of top 3 Sectors in USA, Britain and India

Investment Recommendations

- Based on the analysis, “**Venture Investment**” is preferred Funding Type.
- Below are top preferred companies in the preferred top 3 countries which can be considered by Spark Funds for investments:

Country	Main Sector	Top Company
USA	Others	Virtustream
	Social, Finance, Analytics, Advertising	SST Inc. (Formerly ShotSpotter)
	Cleantech / Semiconductors	Biodesix
GBR	Others	Electric Cloud
	Social, Finance, Analytics, Advertising	Celltick Technologies
	Cleantech / Semiconductors	EUSA Pharma
IND	Others	FirstCry.com
	Social, Finance, Analytics, Advertising	Manthan Systems
	News, Search and Messaging	GupShup

- Based on the current trends, “Social, Finance, Analytics, Advertising” sector is on a rise. And Spark Funds can keep an eye on these companies.
- Since, India is an emerging global market with growing young population, which is consuming more news and messaging services than ever before. So, apart from FirstCry.com and Manthan System, “Gupshup” can also be targeted.