

INVESTMENT CASE STUDY

SUBMISSION

Group Name:

1. Member name: Raghunandan Vellanki
2. Member name: Vyom Bhatt
3. Member name: Vasanthkumar Subramanian
4. Member name: Vinayak Tiwari



Investment Decision – Sparks Funds



The CEO of Sparks Funds, an asset management company wants to make investments in a few companies across the globe. The CEO wants to understand the global trends in investments, so that she can investment decision effectively.

Constraints

- a. Can invest between USD 5 million to USD 15 million per round of investment.
- b. Can invest only in the English speaking countries

Objectives

The 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'

Goals

- **Investment Type Analysis:** 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.
- **Country Analysis:** Identifying the countries which have been the most heavily invested in the past. These will be Spark Funds' favourites as well.
- **Sector Analysis:** Understanding the distribution of investments across the eight main sectors.



Topline Summary



With clearly known objectives, our team came to a consensus to chart out the workflow to analyse the information available and come up with an actionable solution for Spark Funds.

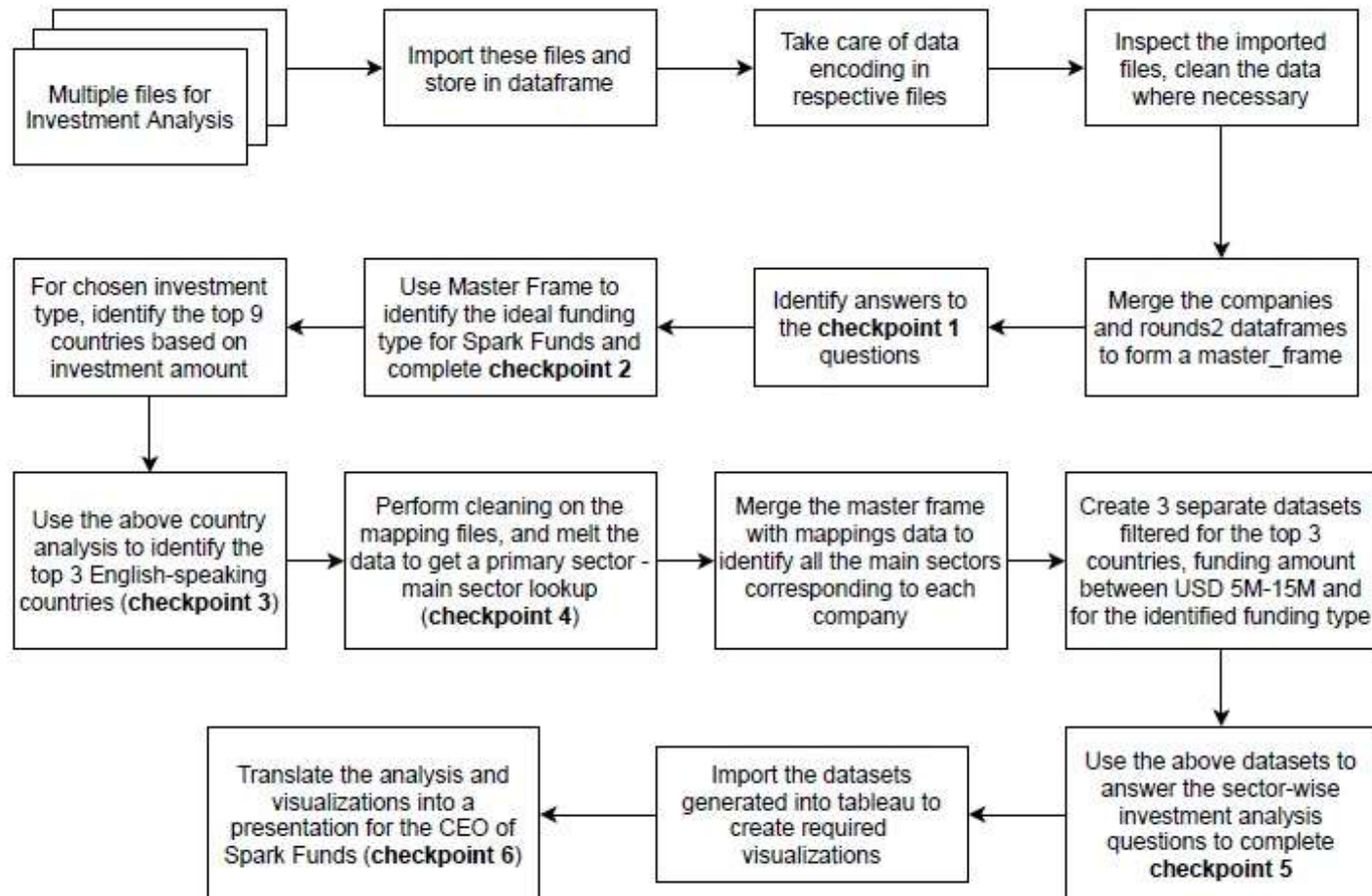
Review of Datasets

- **Companies** – Containing the information about the investment company
- **Investment Rounds** – Containing the information on sectors where the companies have invested
- **Category mapping** – Mapping of Primary sectors to Main sectors

Process Flow :

- Cleansing of Data
- Collating data into models
- Filtrations of models by Investment Type, Country, Sector , language
- Investigate and arrive at best possible options for investments
- Graphically representing the findings and results

Flowchart of Strategy



Statistical Findings 1

- There are 66,368 companies analysed and there were 114,949 rounds of investments done across all the countries.
- Analysis Focused on Finding Best suited Funding Type, in the best English speaking countries and in the required primary sectors

Average funding amount of Venture type	\$11.75 M	← Preferable \$5 – \$15 M
Average funding amount of Angel type	\$0.96 M	
Average funding amount of Seed type	\$0.72 M	
Average funding amount of Private Equity type	\$73.31 M	

Top 9 Countries - Investment Inflow – Million USD

1. The United States of America	4,22,510.84
2. China	39,835.42
3. Great Britain	20,245.63
4. India	14,391.86
5. Canada	9,583.33
6. France	7,259.54
Other 3 : Israel, Germany and Japan	

Top 3 English Speaking Countries

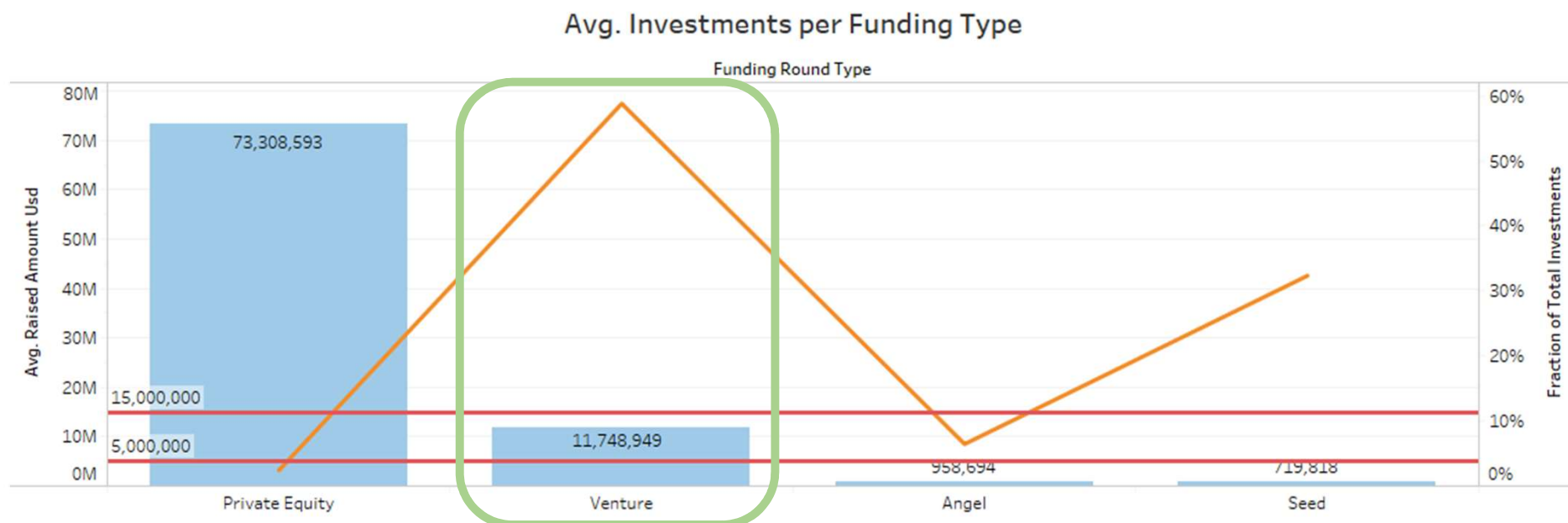
1. The United States of America (USA)
2. Great Britain (GBR)
3. India (IND)

Statistical Findings 2

Key Finding by Sector and top 3 English Speaking Countries

Questions	C1 - USA	C2 - GBR	C3 - IND
Total number of Investments (count)	12,150	628	330
Total amount of investment (USD)	\$ 108,531.34 M	\$ 5,436.84 M	\$ 2,976.54 M
Top Sector name (no. of investment-wise)	Others	Others	Others
Second Sector name (no. of investment-wise)	Social, Finance, Analytics, Advertising	Social, Finance, Analytics, Advertising	Social, Finance, Analytics, Advertising
Third Sector name (no. of investment-wise)	Cleantech / Semiconductors	Cleantech / Semiconductors	News, Search and Messaging
Number of investments in top sector (3)	2,950	147	110
Number of investments in second sector (4)	2,714	133	60
Number of investments in third sector (5)	2,300	128	52
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?	SST Inc. (Formerly Shotspotter)	Celltick Technologies	Manthan Systems

Best Funding Type for Investment : **Venture**



Average of Raised Amount Usd for each Funding Round Type. Color shows sum of Raised Amount Usd. The view is filtered on Funding Round Type, which keeps Angel, Private Equity, Seed and 1 more. The Height of bar shows the average amount invested. The thickness of color shows Total Investment for the specific Funding Type.

As we can see **Venture** is having the investment of \$ **11.74 M** within the range of 5 M to 15 M. And Maximum investment went into this funding type, overall \$ **590B** investments

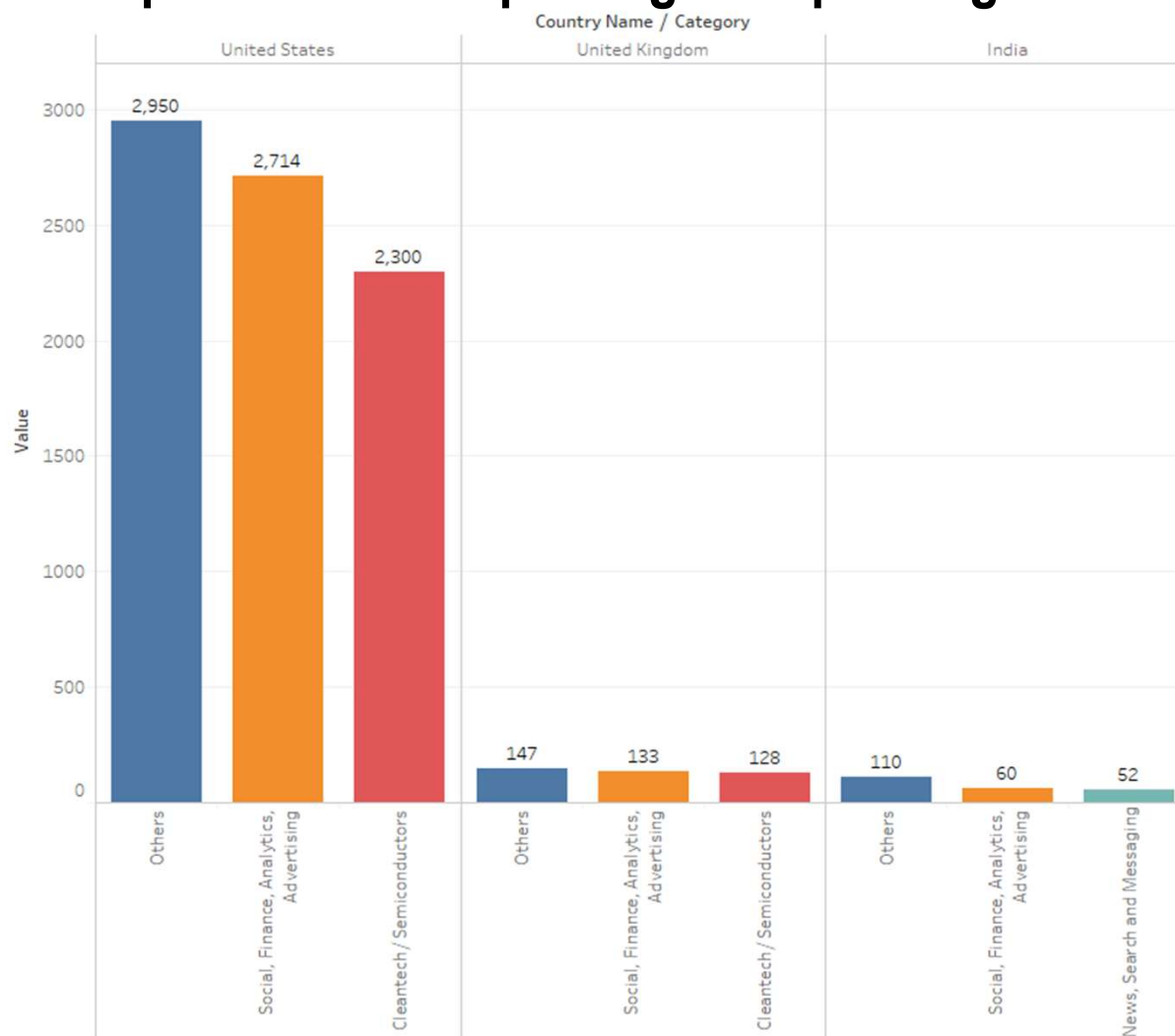
		Funding Round Type			
		Private Equity	Venture	Angel	Seed
Avg. Raised Amount Usd	II.	73,308,593	11,748,949	958,694	719,818
Raised Amount Usd		141,925,436,105	590,126,216,876	4,659,255,123	16,989,864,181
Fraction of Total Investment		18.83%	78.30%	0.62%	2.25%

Top Countries in Venture

Venture Investments In All Countries



Top Sectors of Top 3 English Speaking Countries





Recommendations



Considering the preference of Spark Funds to Investment between USD 5-15 Million in the English Speaking Countries

We strongly recommend to invest funds in 'Venture' in the preferential order of below countries

1. The United States America
2. The Great Britain
3. India

List of Companies for Investment in preferred Geographies and Sectors

Country	Sectors	
	Others	Social, Finance, Analytics, Advertising
United States (USA)	Virtustream	SST Inc. (Formerly Shotspotter)
United Kingdom (GBR)	Electric Cloud	Celltick Technologies
India (IND)	Firstcry.Com	Manthan Systems