

Configuration Manual

MSc Research Project Data Analytics

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MSc Project Submission Sheet

School of Computing

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Programme:	M.Sc. Data Analytics	Year: 2022	
Module:	Research Project		
Supervisor:	Christian Horn 1st February 2023		
Submission Due Date:			
Project Title:	Indian Start-up's Success Prediction Using Machine Learning		
Word Count:	711	Page Count: 13	

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Signature: Nixon Balu

Date: 31st January 2023

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Configuration Manual

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1 Introduction

This document gives a clear demonstration of the hardware and software requirements along with the various steps taken to successfully implement the research project - *Indian Start-up's Success Prediction Using Machine Learning*.

2 System Configuration

2.1 Hardware Requirements

- System OS: Windows 10
- Processor: i5
- RAM: 8 GB

2.2 Software Requirements

The project is implemented in Jupyter Notebook version 6.4.5 with the Python kernel version 3.9.7. Jupyter notebook can be installed using the Anaconda environment (fig. 1) which by default installs the python kernel as well.

3 Project Implementation

The first step will be importing all the necessary libraries for the project (fig. 2).

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The world's most popular open- source Python distribution platform	Download For Windows Python 3.9 • 64-Bit Graphical Installer • 621 MB
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Figure 1: Installing Jupyter Notebook Using Anaconda

import numpy as np import pandas as pd import matplotlib.pyplot as plt import seaborn as sns from plotly import express as px from sklearn.preprocessing import LabelEncoder from sklearn.model_selection import train_test_split, RandomizedSearchCV from sklearn.preprocessing import StandardScaler from imblearn.over_sampling import SMOTE from imblearn.under_sampling import RandomUnderSampler from sklearn.linear model import LogisticRegression from sklearn.ensemble import RandomForestClassifier from sklearn.tree import DecisionTreeClassifier from sklearn.metrics import accuracy_score from sklearn.metrics import classification_report from sklearn.metrics import confusion_matrix from sklearn.metrics import roc_auc_score from sklearn.metrics import roc_curve from sklearn.metrics import f1_score from sklearn import metrics import warnings warnings.filterwarnings('ignore')

Figure 2: Importing Necessary Libraries

3.1 Data Collection

The data is obtained from Crunchbase ¹ platform through a subscription for academic research. The dataset consists of multiple CSV files out of which only two files are selected and loaded in separate Pandas dataframes(fig. 3).

¹https://crunchbase.wufoo.com/forms/s1qn010s0t6fkq6/

```
funding_df = pd.read_csv('funding_rounds.csv')
org_df = pd.read_csv('organizations.csv')
```

Figure 3: Loading Files to Pandas

3.2 Feature Selection

Specific features (fig. 4) are selected from both the dataframes and are subjected to pre-processing.

funding1_df = funding_df[['investment_type', 'announced_on', 'raised_amount_usd', 'org_name']]
org_df = org_df[['name', 'country_code', 'founded_on', 'category_list', 'total_funding_usd', 'status']]

Figure 4: Feature Selection

3.3 Data Pre-processing

As there are multiple investment types in the funding rounds dataframe, only 4 key investments are chosen and loaded in separate dataframes (fig. 5). After this,

```
# seperating selected investment types to different dataframes
seed_df = funding1_df[funding1_df['investment_type']=='seed']
seriesA_df = funding1_df[funding1_df['investment_type']=='series_a']
seriesB_df = funding1_df[funding1_df['investment_type']=='series_c']
seriesC_df = funding1_df[funding1_df['investment_type']=='series_c']
```

Figure 5: Selecting Investment Types from Funding Rounds

renaming of the columns is done for easier understanding (fig. 6), followed by dropping of duplicate entries of organizations (fig. 7). Similarly, duplicate entries in the organizations dataframe are dropped.

This is followed by filling the missing values in the raised_amount columns of each investment type with their corresponding mean values (fig. 8).

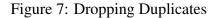
The next step is separating categories from the *category_list* attribute in the organization dataframe and storing them in a new feature (fig. 9).

renaming columns
<pre>seed_df.columns = ['seed','seed_date', 'raised_amount_seed', 'name']</pre>
<pre>seriesA_df.columns = ['series_a','series_a_date', 'raised_amount_seriesA', 'name']</pre>
<pre>seriesB_df.columns = ['series_b','series_b_date', 'raised_amount_seriesB', 'name']</pre>
<pre>seriesC_df.columns = ['series_c','series_c_date', 'raised_amount_seriesC', 'name']</pre>

Figure 6: Renaming Columns of Individual Dataframes of Investment Types

dropping duplicate values
seed_df.drop_duplicates(subset = 'name', inplace = True)
seriesA_df.drop_duplicates(subset = 'name', inplace = True)
seriesB_df.drop_duplicates(subset = 'name', inplace = True)
seriesC_df.drop_duplicates(subset = 'name', inplace = True)

nonemine column



The separate dataframes are now merged together (fig. 10). The correspond-

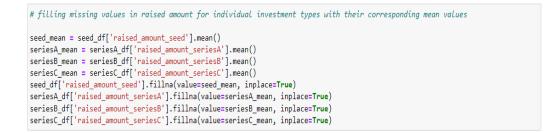


Figure 8: Imputing Missing Values

ing values of organizations that received the different types of investments are replaced with 1 and if no investment received, with 0 (fig.11). Merging of final_fund with the organization dataframe is done (fig. 12). The datatype of the feature *founded_on* is converted to *datetime64* datatype and the missing values in them are dropped (fig. 13). Similarly, the other attributes that hold date information are converted to the *datetime64* datatype.

org_df.category_list.value_counts()	
Software	15789
Health Care	15541
Information Technology	14608
Real Estate	13706
Manufacturing	13474
Cloud Management,Document Management,Office Administration	1
Advice, Corporate Training, Environmental Engineering, Management Consulting, Project Management	1
Apps,E-Commerce,Financial Services,FinTech,Information Services	1
Agriculture,AgTech,Artificial Intelligence,Big Data,Mobile Apps	1
Consumer,Finance,Financial Services,Real Estate	1
Name: category_list, Length: 549715, dtype: int64	

```
# to separate categories from category_list
new = org_df["category_list"].str.split(",", n = 1, expand = True)
org_df["category"]= new[0]
```

Figure 9: Creating a Separate Feature for Category of Organization

```
# merging the different investment type dataframes
fund_2 = pd.merge(left=seed_df, right=seriesA_df, how='outer', left_on='name', right_on='name')
fund_3 = pd.merge(left=fund_2, right=seriesB_df, how='left', left_on='name', right_on='name')
final_fund = pd.merge(left=fund_3, right=seriesC_df, how='left', left_on='name', right_on='name')
```

Figure 10: Merging of Investment Types' Dataframes

```
# replacing if received seed, series_a, series_b and series_c received to 1
final_fund.replace('seed', '1', inplace = True)
final_fund.replace('series_a', '1', inplace = True)
final_fund.replace('series_c', '1', inplace = True)
final_fund.replace('series_c', '1', inplace = True)
# replacing seed, series_a, series_b and series_c missing values to 0
final_fund.fillna(value = {'seed': '0', 'series_a':'0', 'series_b':'0', 'series_c':'0' }, inplace = True)
```

Figure 11: Replacing Investments Received or not with 1 and 0

3.4 Feature Engineering

New features are created from the attributes that had dates to get the corresponding duration between different rounds of investments in months (fig. 14). Subsetting

merging final_fund with org_df

final_df = pd.merge(left=org_df, right=final_fund, how='left', left_on='name', right_on='name')

Figure 12: Merging with Organization Dataframe

final_df.founded_on = pd.to_datetime(final_df.founded_on, errors = 'coerce')

Figure 13: Datatype Conversion of Founded_on Attribute

of the dataframe is done to retain only those startups that have no missing values for *total_funding_usd* (fig. 15). All the numeric features with null values are replaced with 0 (fig. 16). Those records with negative values for the duration are removed.

The new features are converted to int64 datatypes to create new set of categor-

```
final_df['founding_to_seed_months'] = (final_df['seed_date'] - final_df['founded_on']) / np.timedelta64(1, 'M')
final_df['founding_to_seriesA_months'] = (final_df['series_a_date'] - final_df['founded_on']) / np.timedelta64(1, 'M')
final_df['seriesA_to_seriesB_months'] = (final_df['series_b_date'] - final_df['series_a_date']) / np.timedelta64(1, 'M')
final_df['seriesB_to_seriesC_months'] = (final_df['series_c_date'] - final_df['series_b_date']) / np.timedelta64(1, 'M')
```

Figure 14: New Features for Duration Between Investments in Months

```
final3_df = final2_df[final2_df['total_funding_usd']>= 0]
```

Figure 15: Subsetting Dataframe with no Missing Values in Total_Funding_USD

ical features (fig. 17). All the features that are no longer required are dropped (fig. 18). The target variable is then defined and the final dataframe is created (fig. 19). Another dataframe with only Indian companies are also created (fig. 20).

3.5 Exploratory Data Analysis

The balance between the classes of start-ups globally and Indian start-ups is visualized using the code in fig. 21. Top 10 industries are seen using fig. 22. Additionally, top 10 countries in the world with most number of start-ups are seen using the code in fig. 23.

final3_df.fillna(value = {'seed': '0', 'series_a':'0', 'series_b':'0', 'series_c':'0' }, inplace = True)

final3_df.raised_amount_seed = final3_df.raised_amount_seed.fillna(0)
final3_df.raised_amount_seriesA = final3_df.raised_amount_seriesA.fillna(0)
final3_df.raised_amount_seriesB = final3_df.raised_amount_seriesB.fillna(0)
final3_df.raised_amount_seriesC = final3_df.raised_amount_seriesC.fillna(0)

final3_df.founding_to_seed_months = final3_df.founding_to_seed_months.fillna(0)
final3_df.founding_to_seriesA_months = final3_df.founding_to_seriesA_months.fillna(0)
final3_df.seriesA_to_seriesB_months = final3_df.seriesA_to_seriesB_months.fillna(0)
final3_df.seriesB_to_seriesC_months = final3_df.seriesB_to_seriesC_months.fillna(0)

Figure 16: Filling Null Values with 0

changing float to int to suport easy grouping of data into bins final4 df.founding to seed months = final4 df.founding to seed months.astype('int64') final4_df.founding_to_seriesA_months = final4_df.founding_to_seriesA_months.astype('int64') final4_df.seriesA_to_seriesB_months = final4_df.seriesA_to_seriesB_months.astype('int64') final4_df.seriesB_to_seriesC_months = final4_df.seriesB_to_seriesC_months.astype('int64') final4_df.loc[final4_df['founding_to_seed_months'].between(0, 12, 'right'), 'seed_duration'] = 'F25_1'
final4_df.loc[final4_df['founding_to_seed_months'].between(12, 24, 'right'), 'seed_duration'] = 'F25_2' final4_df.loc[final4_df['founding_to_seed_months'].between(24, 36, 'right'), 'seed_duration'] = 'F25_3' final4_df.loc[final4_df['founding_to_seed_months'].between(36, 10000, 'right'), 'seed_duration'] = 'F25_4' final4_df.loc[final4_df['founding_to_seed_months'].between(0, 0, 'both'), 'seed_duration'] = 'F2S_5' final4_df.loc[final4_df['founding_to_seriesA_months'].between(0, 12, 'right'), 'to_seriesA'] = 'F2A_1' final4_df.loc[final4_df['founding_to_seriesA_months'].between(12, 24, 'right'), 'to_seriesA'] = 'F2A_2' final4_df.loc[final4_df['founding_to_seriesA_months'].between(24, 36, 'right'), 'to_seriesA'] = 'F2A_3' final4_df.loc[final4_df['founding_to_seriesA_months'].between(36, 10000, 'right'), 'to_seriesA'] = 'F2A_4' final4_df.loc[final4_df['founding_to_seriesA_months'].between(0, 0, 'both'), 'to_seriesA'] = 'F2A_5' final4_df.loc[final4_df['seriesA_to_seriesB_months'].between(0, 12, 'right'), 'seriesA_to_B'] = 'A2B_1' final4_df.loc[final4_df['seriesA_to_seriesB_months'].between(12, 24, 'right'), 'seriesA_to_B'] = 'A2B_2' final4_df.loc[final4_df['seriesA_to_seriesB_months'].between(24, 36, 'right'), 'seriesA_to_B'] = 'A2B_3' final4_df.loc[final4_df['seriesA_to_seriesB_months'].between(36, 10000, 'right'), 'seriesA_to_B'] = 'A2B_4' final4_df.loc[final4_df['seriesA_to_seriesB_months'].between(0, 0, 'both'), 'seriesA_to_B'] = 'A2B_5' final4_df.loc[final4_df['seriesB_to_seriesC_months'].between(0, 12, 'right'), 'seriesB_to_C'] = 'B2C_1' final4_df.loc[final4_df['seriesB_to_seriesC_months'].between(12, 24, 'right'), 'seriesB_to_C'] = 'B2C_2' final4_df.loc[final4_df['seriesB_to_seriesC_months'].between(24, 36, 'right'), 'seriesB_to_C'] = 'B2C_3' final4_df.loc[final4_df['seriesB_to_seriesC_months'].between(36, 10000, 'right'), 'seriesB_to_C'] = 'B2C_4' final4_df.loc[final4_df['seriesB_to_seriesC_months'].between(0, 0, 'both'), 'seriesB_to_C'] = 'B2C_5'

Figure 17: New Categorical Features for Duration Between Investments

Figure 18: Dropping Irrelevant Features

```
def set_status(row):
    if (row["status"] == "acquired") | (row["status"] == "ipo") | (row["status"] == "operating") & (row["series_b"] == "1"):
        return "1"
    else:
        return "0"
```

final6_df = final5_df.assign(is_successfull=final5_df.apply(set_status, axis=1))

Figure 19: Defining Target Variable

ind_df = final6_df[final6_df['country_code']=='IND']

Figure 20: Dataframe for Indian Start-ups

```
fig = plt.subplots(figsize=(5,5))
sns.countplot(x="is_successfull",data=final6_df)
plt.title('Class Balance of Global Start-ups')
plt.show()
```

```
fig = plt.subplots(figsize=(5,5))
sns.countplot(x="is_successfull",data=ind_df)
plt.title('Class Balance of Indian Start-ups')
plt.show()
```

Figure 21: Class Balance for Global and Indian Start-ups

3.6 Data Transformation

All object datatypes are converted to category to support for efficient model building (fig.24). Following this step, the x and y variables are defined (fig. 25). Train test split is done for both dataframes that have global and Indian start-ups (fig. 26). Data scaling is done using the code in fig. 27. A separate dataframe is created to capture the results of all the models (fig. 28).

3.7 Modelling

Three balancing techniques are used wherein each technique has three machine learning models. The first balancing technique is with adjusting class weights to balanced (fig. 29) and this is employed in all three models which are Random Forest, Decision Tree and Logistic regression. The next technique employed is SMOTE (fig. 30). Again, all the three models are developed here. The model

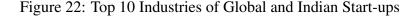


Figure 23: Top 10 Countries with Most no. of Start-ups

with Logistic Regression can be seen in fig. 3. Finally, Random Under Sampling technique is used to balance the data (fig. 32). All three models are employed using this technique and the model with Decision Tree can be seen in fig. 33.

Similar approach is taken for Indian start-ups as well but here only two balancing techniques are employed which are adjusting class weights to balanced and SMOTE.

3.8 Evaluation

All the models are evaluated using state-of-the-art evaluation metrics in this domain and the results are tabulated (fig. 34).

changing datatypes for model building
<pre>final6_df.seed = final6_df.seed.astype('category') final6_df.series_a = final6_df.series_a.astype('category') final6_df.series_b = final6_df.series_b.astype('category') final6_df.series_c = final6_df.series_c.astype('category')</pre>
<pre>final6_df.seed_duration = final6_df.seed_duration.astype('category') final6_df.to_seriesA = final6_df.to_seriesA.astype('category') final6_df.seriesA_to_B = final6_df.seriesA_to_B.astype('category') final6_df.seriesB_to_C = final6_df.seriesB_to_C.astype('category')</pre>
converting categorical features to numerical features for model building
<pre>cat_df = final6_df.select_dtypes(include = ['object', 'category']) l_encoder = LabelEncoder()</pre>
for column in cat_df:
final6_df[column] = l_encoder.fit_transform(final6_df[column])

Figure 24: Data Transformation

x = final6_df.drop(columns = ['status', 'is_successfull'])
y = final6_df['is_successfull']

x1 = ind_df.drop(columns = ['status','is_successfull'])
y1 = ind_df['is_successfull']

Figure 25: Defining x and y Variables

x_train, x_test, y_train, y_test = train_test_split(x, y, shuffle = True, test_size = .2, random_state = 42)
x_train1, x_test1, y_train1, y_test1 = train_test_split(x1, y1, shuffle = True, test_size = .2, random_state = 42)

Figure 26: Data Split to Train and Test



Figure 27: Data Scaling

# Creating Dataframes to d	isplay evaluation of the models	
models_summary = pd.DataFra	ame([],	
	columns=['Model Name',	
	'F1 Score',	
	'Accuracy',	
	'Recall',	
	'Precision'	
])	
models summary1 = pd.DataFr	rame([],	
	columns=['Model Name',	
	'F1 Score',	
	'Accuracy',	
	'Recall',	
	'Precision'	
])	

Figure 28: Dataframe to Store Evaluation Results of Models

```
rf1 = RandomForestClassifier(class_weight = 'balanced', random_state = 8)
rf1.fit(x_train, y_train)
acc_rf1 = accuracy_score(y_test, rf1.predict(x_test))
conf_rf1 = confusion_matrix(y_test, rf1.predict(x_test))
report_rf1 = classification_report(y_test, rf1.predict(x_test))
F1_rf1 = f1_score(y_test, rf1.predict(x_test), average = 'weighted')
rec_rf1 = metrics.recall_score(y_test, rf1.predict(x_test))
pre_rf1 = metrics.precision_score(y_test, rf1.predict(x_test))
print(f"Accuracy Score: {acc_rf1}")
print(f"F1 score: {F1_rf1}')
print(f"Recall: {rec_rf1}")
print(f"Confusion Matrix : \n{conf_rf1}")
print(f"Classification Report : \n{report_rf1}")
```

Figure 29: Random Forest Model with Class Weights Balanced Technique

sm = SMOTE(random_state = 42)
x_train_resampled , y_train_resampled = sm.fit_resample(x_train , y_train)

Figure 30: Resampling Data Using SMOTE

lr2 = LogisticRegression(random_state = 8)
lr2.fit(x_train_resampled, y_train_resampled)

acc_lr2 = accuracy_score(y_test, lr2.predict(x_test))
conf_lr2 = confusion_matrix(y_test, lr2.predict(x_test))
report_lr2 = classification_report(y_test, lr2.predict(x_test))
F1_lr2 = f1_score(y_test, lr2.predict(x_test), average = 'weighted')
rec_lr2 = metrics.recall_score(y_test, lr2.predict(x_test))
pre_lr2 = metrics.precision_score(y_test, lr2.predict(x_test))

print(f"Accuracy Score: {acc_lr2}")
print(f'F1 score: {F1_lr2}')
print(f"Precision: {pre_lr2}")
print(f"Recall: {rec_lr2}")
print(f"Confusion Matrix : \n{conf_lr2}")
print(f"Classification Report : \n{report_lr2}")

Figure 31: Logistic Regression Using SMOTE

```
rus = RandomUnderSampler(random_state=42)
x_res, y_res = rus.fit_resample(x_train, y_train)
```

Figure 32: Resampling Data Using Random Under Sampling

dt3=DecisionTreeClassifier(random_state = 8)
dt3.fit(x_res, y_res)
acc_dt3 = accuracy_score(y_test, dt3.predict(x_test))
conf_dt3 = confusion_matrix(y_test, dt3.predict(x_test))
report_dt3 = classification_report(y_test, dt3.predict(x_test))
F1_dt3 = f1_score(y_test, dt3.predict(x_test), average = 'weighted')
rec_dt3 = metrics.recall_score(y_test, dt3.predict(x_test))
pre_dt3 = metrics.precision_score(y_test, dt3.predict(x_test))
print(f"Accuracy Score: {acc_dt3}")
print(f[1_score(y_1test, dt3])

```
print(f'F1 score: {F1_dt3}')
print(f'Precision: {pre_dt3}')
print(f'Recall: {rec_dt3}')
print(f'Confusion Matrix : \n{conf_dt3}")
print(f"Classification Report : \n{report_dt3}")
```

Figure 33: Decision Tree Using Random Under Sampling

```
models_summary = models_summary.append({
    'Model Name': 'E1 - Decision Tree with Random Under Sampling',
    'F1 Score': F1_dt3,
    'Accuracy' : acc_dt3,
    'Recall' : rec_dt3,
    'Precision' : pre_dt3
}, ignore_index=True)
```

models_summary.sort_values('F1 Score', ascending=False)

	Model Name	F1 Score	Accuracy	Recall	Precision
4	E1 - Logistic Regression with SMOTE	0.843365	0.853175	0.463938	0.647289
7	E1 - Logistic Regression with Random Under Sam	0.840973	0.851338	0.453947	0.642414
1	E1 - Logistic Regression with Weighted Balance	0.835999	0.843878	0.468811	0.603797
0	E1 - Random Forest with Weighted Balance	0.833835	0.837324	0.511209	0.570264
3	E1 - Random Forest with SMOTE	0.812729	0.804240	0.608431	0.479593
2	E1 - Decision Tree with Weighted Balance	0.788988	0.781338	0.516813	0.427664
6	E1 - Random Forest with Random Under Sampling	0.780767	0.761519	0.672758	0.413540
5	E1 - Decision Tree with SMOTE	0.775315	0.759342	0.586623	0.400083
8	E1 - Decision Tree with Random Under Sampling	0.725632	0.694807	0.666058	0.337782

Figure 34: Results for Models Built for Start-ups Around the World