# **Problem Statement & Business Context Details:**

- 1. The company's goal is to provide an efficient pricing strategy for used car listings.
- 2. In the past, manual inspections were used, but this approach is not scalable as the company grows.
- 3. The solution involves building an object-detection model to detect damage in cars, particularly focusing on scratches and dents. If no damage is detected, the system should return "None."
- 4. The results from this model will be used to determine the resale value of a car based on the type of damage detected.
- 5. There's a large repository of images, and the model should be able to handle unlabeled images as well.
- 6. The ML system should encompass the entire production stack, including experiment tracking, automated model deployment, and monitoring. It should also be adaptable to accommodate additional annotations in the future.

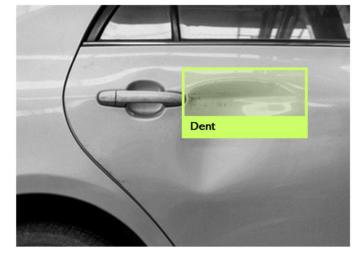
# **Business Goals:**

# More specifically, the business goal includes:

- 1. **Providing an Effective Pricing Strategy:** The primary objective is to create a system that can accurately determine the resale value of used cars. This is critical for ensuring that both buyers and sellers can make informed decisions about the pricing of cars listed on the platform.
- 2. **Scaling the Solution:** The existing manual inspection method is effective but not scalable, especially as the company is expanding

internationally. The business goal is to create an automated solution that can handle a large volume of car listings.

- 3. **Detecting Damage:** Part of achieving the business goal is the ability to detect damage in cars, particularly focusing on scratches and dents. This information will be used to assess the condition of the cars and, in turn, their resale value.
- 4. **Creating a Complete ML System:** The business goal also includes developing a full-fledged machine learning system with features like experiment tracking, automated model deployment, and monitoring. This comprehensive system will support the company's efforts in handling data, training models, and maintaining the solution effectively.



By achieving these business goals, Carsdepo.com aims to enhance the user experience on its platform, provide more accurate pricing, and facilitate international expansion while maintaining a competitive edge in the used car market.

# **Using The Above Information, Answer The Following Questions**

Q1. System design: Based on the above information, describe the KPI that the business should track.

#### **Answer:**

The key performance indicators (KPIs) that the business should track for this system design include:

- 1. **Detection Accuracy**: Measure the accuracy of the object-detection model in identifying and classifying car damage, specifically scratches and dents. This KPI helps ensure the system's effectiveness in identifying damage types.
- 2. **Scalability**: Assess the system's ability to handle a growing number of images and adapt to increased demand. This KPI is crucial, as the business is expanding internationally.
- 3. **Annotation Efficiency**: Monitor the efficiency of the annotation process, which involves labelling images. An efficient annotation process is essential for model training and data quality.
- 4. **Model Training Time**: Track the time required to train or retrain the object-detection model. Reducing training time is important for a responsive system.
- 5. **Deployment and Inference Speed**: Measure the speed of the model during deployment and inference. Faster processing is essential for real-time or near-real-time damage detection.
- 6. **Monitoring and Maintenance:** Implement a KPI related to the system's monitoring and maintenance. This includes tracking system downtime, response time to issues, and ensuring continuous performance.
- 7. **Data Quality:** Assess the quality of the image data, as this directly impacts model accuracy. Monitoring data quality is crucial for the reliability of damage detection.

Collect and Analyze user feedback on the system's performance and accuracy. This can provide valuable insights for further improvements.

These KPIs will help the business ensure the effectiveness, scalability, and reliability of the automated damage-detection system and make data-driven decisions for continuous improvement.

"The business should track several key performance indicators (KPIs) for the system design. These include measuring how accurately the system detects and classifies car damage, its ability to handle increasing demand, the efficiency of image labelling, training time for the model, deployment and inference speed, system monitoring and maintenance, data quality, and user feedback. These KPIs will help the business ensure the system's effectiveness and reliability while making informed decisions for improvements."

Q2. System design: Your company has decided to build an MLOPs system. What advantages would you get from building an MLOPs system rather than a simple model?

#### **Answer:**

Building an MLOPs (Machine Learning Operations) system offers several advantages compared to simply creating a standalone machine learning model. Here are the key advantages:

- 1. **End-to-End Pipeline**: MLOPs provides a complete end-to-end pipeline for machine learning, including data ingestion, preprocessing, model training, deployment, and monitoring. This ensures a structured and efficient workflow.
- 2. **Reproducibility**: MLOPs allows for the easy reproduction of model training and deployment processes. This is crucial for maintaining consistency and reliability across different environments.
- 3. **Model Versioning**: MLOPs systems allow for versioning of models, making it easy to track and manage different iterations of the model. This is important for maintaining a historical record of model performance and improvements.
- 4. **Automated Deployment**: MLOPs automates the deployment process, making it faster and more reliable. Models can be deployed to production with minimal manual intervention.
- 5. **Monitoring and Logging**: MLOPs systems include robust monitoring and logging capabilities. This enables the continuous monitoring of model performance, data drift, and potential issues, ensuring models remain effective over time.
- 6. **Scalability**: MLOPs systems are designed to be scalable, making it easier to handle growing data volumes and user demands. This is particularly important for a platform serving a large number of users.
- 7. **Collaboration**: MLOPs fasters collaboration among data scientists, engineers, and DevOps teams. It streamlines communication and coordination among different teams working on machine learning projects.
- 8. **Security and Compliance**: MLOPs systems can be configured to meet security and compliance requirements, which is essential when handling sensitive data, such as customer information or financial data.
- 9. **Model Lifecycle Management**: MLOPs provides a structured approach to model lifecycle management, from development and testing to deployment and retirement. This ensures models are kept up to date and relevant.
- 10. **Rapid Iteration**: MLOPs facilitates rapid iteration and experimentation, making it easier to test and deploy new model versions as improvements are made.
- 11. **Cost Efficiency & Business Agility**: With automation and efficient resource allocation, MLOPs can help reduce operational costs associated with model deployment and maintenance. MLOPs enables the business to respond quickly to changing market conditions and customer needs by making it easier to update and deploy new models.

In summary, building an MLOPs system provides a structured, efficient, and collaborative approach to managing machine learning models throughout their entire lifecycle. This is especially advantageous for a complex project like the automated damage-detection system for used cars, where scalability, reliability, and continuous improvement are essential.

Q3. System design: You must create an ML system that has the features of a complete production stack, from experiment tracking to automated model deployment and monitoring. For this problem, create an ML system design (diagram)

(Note: The MLOPs tools you want to use are up to your judgement. You can use open-source tools, managed service tools or a hybrid. You can use draw.io or any other convenient tool to create the architecture. You can refer to the segment link for the architecture created in the customer churn case study. You can upload the design/diagram as an image in the PDF.)

#### **Answer:**

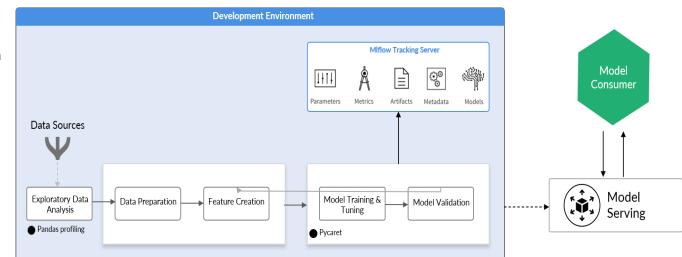
To create an MLOPs system for the automated damage-detection solution, you can leverage various tools and components, both open-source and managed services, to achieve an efficient end-to-end production stack. Here's a high-level description of the components and their interactions:

the system architecture is divided into two environments:

- 1. **Development environment**: This environment is structured to help you understand which model will perform the best for the given problem statement and data. This is an environment where you can perform rapid experimentation around data and models.
- 2. **Production environment**: This environment is where you operationalise the best model identified from the development environment/stage.

#### **Development Environment** →

- 1. **Exploratory data analysis**: In this step, you will understand the patterns and infer insights from the given data using data visualisations. Some of the tools used in this stage will be Pandas Profiling, matplotlib, Seaborn etc.
- 2. **Data preparation**: Once you have understood the data and its distribution, you can move to the other operations to perform cleaning, pre-processing and feature engineering on the given data. This step is crucial for performing experimentation using the features extracted from the data.



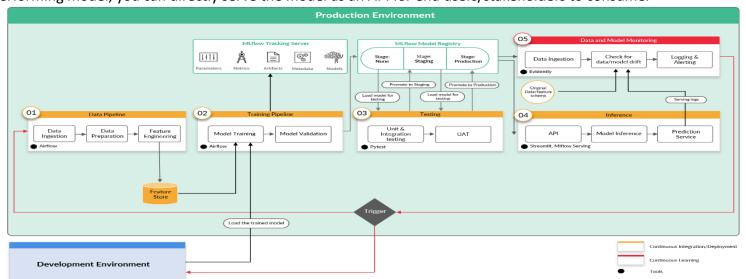
#### 3. Model Training & Tuning:

- Model training is performed on the prepared data using experiment tracking tools such as MLflow.
- Model evaluation is conducted to assess its performance on validation datasets.
- Hyperparameter tuning is performed to optimize the model's performance.

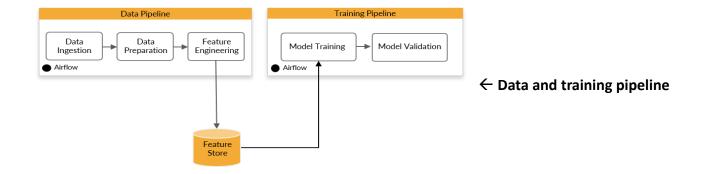
- > PyCaret helps with code automation and lets you build different modelling experiments quickly without worrying about building code.
- MLflow will help you track every experiment and log parameters, models, artifacts, metadata, accuracy numbers, timestamps, execution time, etc.
- **4. Model validation**: In this step, based on the performance of all the candidates (models used for experimentation), you will select the best one that meets the evaluation criteria (recall or lower false Negatives). If it doesn't meet the standards, you must go back and experiment until you reach acceptable numbers.
- 5. Continuous Integration/Continuous Deployment (CI/CD):
  - > CI/CD pipelines automate testing, validation, and deployment of new model versions.
  - > Version control systems (e.g., Git) are used to manage code and model versions.
- 6. Model serving: Once you have finalised the best-performing model, you can directly serve the model as an API for end users/stakeholders to consume.

#### Production Environment →

Data and training pipeline: This component focuses on automating model training by converting the code developed in notebooks to Python scripts. With automation coupled with using a feature store, the data and training pipelines can run whenever there is any change in the live data. This helps in the continuous delivery of existing deployed models after it is re-trained on the newly transformed data stored in the feature store. The tool used for automation in this stage is Airflow.



Workflow for the production stage/environment



**Testing**: In this step, you will test the different methods used in data preparation, feature extraction and model validation to effectively track whether all the components are working in the desired manner. The tests applied here are unit tests, integration tests, and user acceptance testing (UAT). If the model passes all these tests, it can be moved to production, that is, it can be used for making inferences/predictions. Therefore, testing helps in the continuous integration of models trained on new data.

#### Workflow for the testing component →

### **Model Deployment:**

- Trained models are containerized using tools like Docker for consistency and portability.
- Deployment platforms like Kubernetes or cloud services such as AWS SageMaker are used to host and scale models.
- RESTful APIs are exposed to allow external systems to make predictions.

# **Monitoring and Logging:**

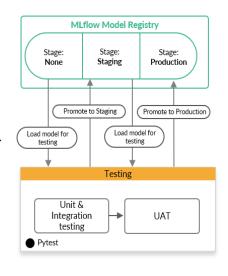
- Continuous monitoring of the system is achieved using monitoring tools such as Prometheus and Grafana.
- Logs are collected, stored, and analyzed using logging tools like the ELK Stack (Elasticsearch, Logstash, Kibana)

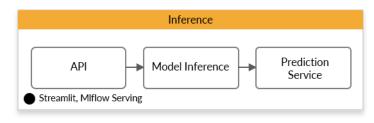
#### Inference:

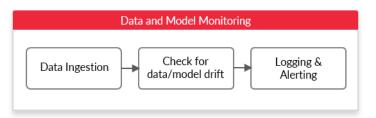
- In this stage, once the model/code passes all the tests, you will go ahead and deploy the model for serving predictions. The tool used in this stage is Streamlit, with MLflow Serving for quickly deploying the models.
- Data and model monitoring: Keeping a continuous check on the deployed model is essential for tracking the model performance and ensuring that the model doesn't go stale. It signals what action needs to be performed based on any changes in the live data. The 'trigger' connected to this component decides what action to take: model experimentation or model retraining. The tool used in this stage for monitoring any data drifts is called Evidently.

### **Security and Authentication:**

- Identity and access management (IAM) systems are used for secure data access.
- API security measures, such as OAuth or API keys, ensure secure model access.







Q4. System design: After creating the architecture, please specify your reason for choosing the specific tools you chose for the use case.

Note: The MLOps tools you want to use are up to your judgement. You can use open-source tools, or managed service tools or a hybrid.

#### **Answer:**

For the automated damage-detection system, the choice of specific tools and technologies is crucial for a successful MLOPs implementation. Below, I'll provide a rationale for the selection of various tools and technologies for different parts of the system:

#### **Development Environment:**

#### 1. Exploratory Data Analysis:

> Tools like Pandas Profiling, matplotlib, and Seaborn are chosen to gain a deep understanding of data patterns and insights, which is essential for selecting the right approach.

#### 2. Data Preparation:

> Data cleaning, pre-processing, and feature engineering are performed to ensure the data is in the right format for model training, which is a fundamental step in developing accurate models.

#### 3. Model Training & Tuning:

- > **MLflow:** MLflow is chosen for experiment tracking and hyperparameter tuning due to its comprehensive capabilities, which include tracking parameters, models, metadata, and execution time.
- **PyCaret:** PyCaret is used for code automation, which accelerates the experimentation process by allowing the quick building of different models without coding from scratch.

#### 4. Model Validation:

> Custom scripts are employed to evaluate and select the best-performing model, ensuring it meets the specified evaluation criteria.

### 5. Continuous Integration/Continuous Deployment (CI/CD):

- > **Git:** Git is utilized for version control, which is essential for tracking changes in code and models.
- > CI/CD Pipelines: Automation using CI/CD pipelines ensures efficient testing, validation, and deployment of new model versions.

#### **Production Environment:**

#### 1. Data and Training Pipeline:

• **Airflow:** Airflow is selected for automation, converting code from notebooks to Python scripts. It allows for continuous delivery of re-trained models as new data arrives.

#### 2. Testing:

• Unit tests, integration tests, and user acceptance testing (UAT) are conducted to ensure that all components work as desired before deploying the model.

#### 3. Model Deployment:

- **Docker:** Containerization with Docker ensures consistency and portability.
- Kubernetes/AWS SageMaker: Deployment platforms like Kubernetes and AWS SageMaker are used to host and scale models efficiently.
- RESTful APIs: RESTful APIs are exposed to enable external systems to make predictions.

#### 4. Monitoring and Logging:

- **Prometheus and Grafana:** These tools enable continuous monitoring and visualization of the system's performance.
- ELK Stack: Elasticsearch, Logstash, and Kibana are used for collecting, storing, and analyzing logs to assist with debugging and auditing.

#### 5. Inference:

• **Streamlit and MLflow Serving:** Streamlit is chosen for model deployment for serving predictions, while MLflow Serving facilitates quick model deployment.

#### 6. Data and Model Monitoring:

• **Evidently:** Evidently is used for monitoring data drift, ensuring model performance remains robust and timely actions are taken when necessary.

### 7. Security and Authentication:

• Identity and access management (IAM) systems, as well as API security measures like OAuth and API keys, are implemented to ensure secure data access and model usage.

The choice of each tool is based on its suitability for a specific stage or task within the MLOps workflow. It ensures efficient, secure, and scalable operations throughout the development and deployment of the automated damage-detection solution.

#### Q5. Workflow of the solution:

You must specify the steps that should be taken to build such a system end to end.

The steps should mention the tools used in each of the components and how they are connected with one another to solve the problem. Broadly the workflow should include the following:

- Data and model experimentation
- Automation of data pipeline
- · Automation of training pipeline
- Automation of inference pipeline
- Continuous monitoring pipeline

The workflow should also explain the actions to be taken under the following conditions:

After you deployed the model, you noticed that there was a sudden increase in the drift due to the poor lighting in the image taken.

- 1. What component/pipeline will be triggered if there is any drift detected? What if the drift detected is beyond an acceptable threshold?
- 2. What component/pipeline will be triggered if you have additional annotated data?

#### **Answer:**

Certainly, let's outline the workflow for building the automated damage-detection system end to end, and also address the actions to be taken under specific conditions:

**Workflow for Building the Automated Damage-Detection System:** 

#### 1. Data and Model Experimentation:

- Development Environment:
  - Exploratory Data Analysis: Use Pandas Profiling, matplotlib, Seaborn for data exploration.
  - Data Preparation: Clean, preprocess, and engineer features.
  - Model Training & Tuning: Train models using MLflow and PyCaret, perform hyperparameter tuning.

#### 2. Automation of Data Pipeline:

- Development Environment:
  - Data pipeline automation tools (e.g., Apache Nifi or AWS Glue) transform and store clean data in the data warehouse.
  - Feature store enables continuous data updates.

#### 3. Automation of Training Pipeline:

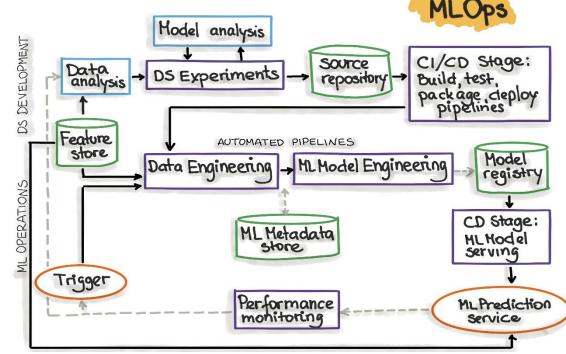
- Production Environment:
  - Data pipeline automation using Airflow to convert notebook code into Python scripts.
  - Continuous model training with retrained models stored in the feature store.

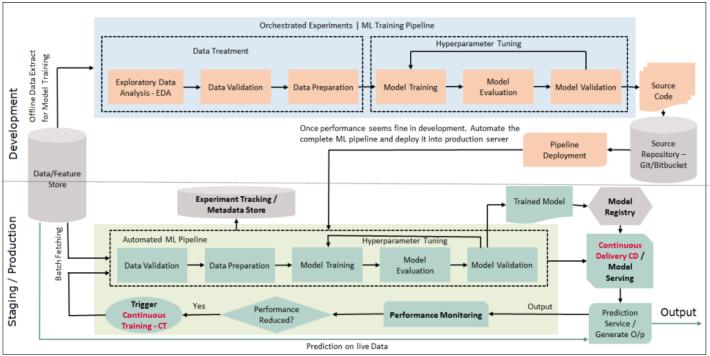
#### 4. Automation of Inference Pipeline:

- Production Environment:
  - Model deployment via Docker containers on Kubernetes or AWS SageMaker.
  - RESTful APIs for model predictions.
  - Streamlit and MLflow Serving for quick deployment.

#### 5. Continuous Monitoring Pipeline:

- Production Environment:
  - Prometheus and Grafana for continuous system monitoring.
  - ELK Stack for log collection and analysis.
  - Evidently for data drift monitoring.





#### **Handling Drift Conditions:**

#### If Drift Is Detected:

#### • Continuous Monitoring Pipeline:

When drift is detected (e.g., due to poor lighting in images),
the continuous monitoring pipeline is triggered.

### Data and Model Monitoring:

• If drift is within acceptable thresholds, monitoring data is collected for analysis and model adjustments.

# Model Training & Tuning:

- If drift is beyond an acceptable threshold, the model training pipeline is triggered to retrain models on newly transformed data from the feature store.
- Retrained models are then deployed using the inference pipeline.

# Model Deployment:

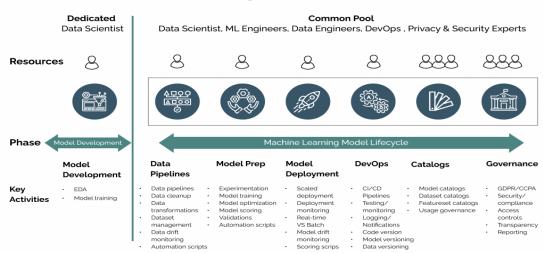
• The new models replace the old models, and the updated system is deployed.

#### If Additional Annotated Data Is Available:

#### • Development Environment:

- In case of additional annotated data, data is ingested and processed in the data pipeline.
- Model development is performed again in the development environment.
- Model training, evaluation, and hyperparameter tuning are carried out.

# **Machine Learning Operations (MLOps)**



Technology

QuickSight

AWS

CodeBuild

Glue

API Gateway

AWS

CodeCommit

Amazon

**EMB** 

AWS

Service Catalogue

AWS

CodePineline

Amazon

Athena

Amazon

Amazon Sagemake

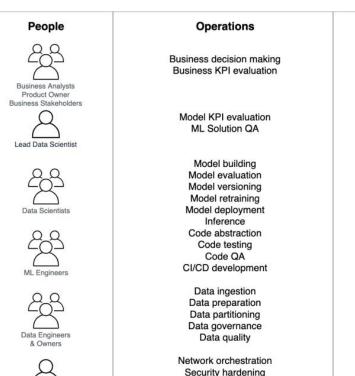
Model Endpoints

ECR

Lake Formation Step Functions

AWS

Lambda



Infrastructure as code development

Account instantiation

- Continuous Integration/Continuous Deployment (CI/CD):
  - New models that benefit from the additional annotated data can be deployed.
- Continuous Monitoring Pipeline:
  - The continuous monitoring pipeline continues to monitor the system for any changes, including drift.

The workflow outlined above provides a comprehensive view of how the system is built from data exploration to continuous monitoring. It also addresses the actions to be taken when drift is detected and when additional annotated data becomes available, ensuring the system remains robust and adaptable to

changes.

