



Machine Learning Using SAS® Viya®

Course Notes

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Machine Learning Using SAS® Viya® Course Notes

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To learn more...



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For a list of SAS books (including e-books) that relate to the topics covered in this course notes, visit <https://www.sas.com/sas/books.html> or call 1-800-727-0025. US customers receive free shipping to US addresses.

Lesson 1 Introduction

| | | |
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| 1.1 | Machine Learning in Business Decision Making | 1-3 |
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1.1 Machine Learning in Business Decision Making

“In the new world, it is not the big fish which eats the small fish, it's the fast fish which eats the slow fish.”

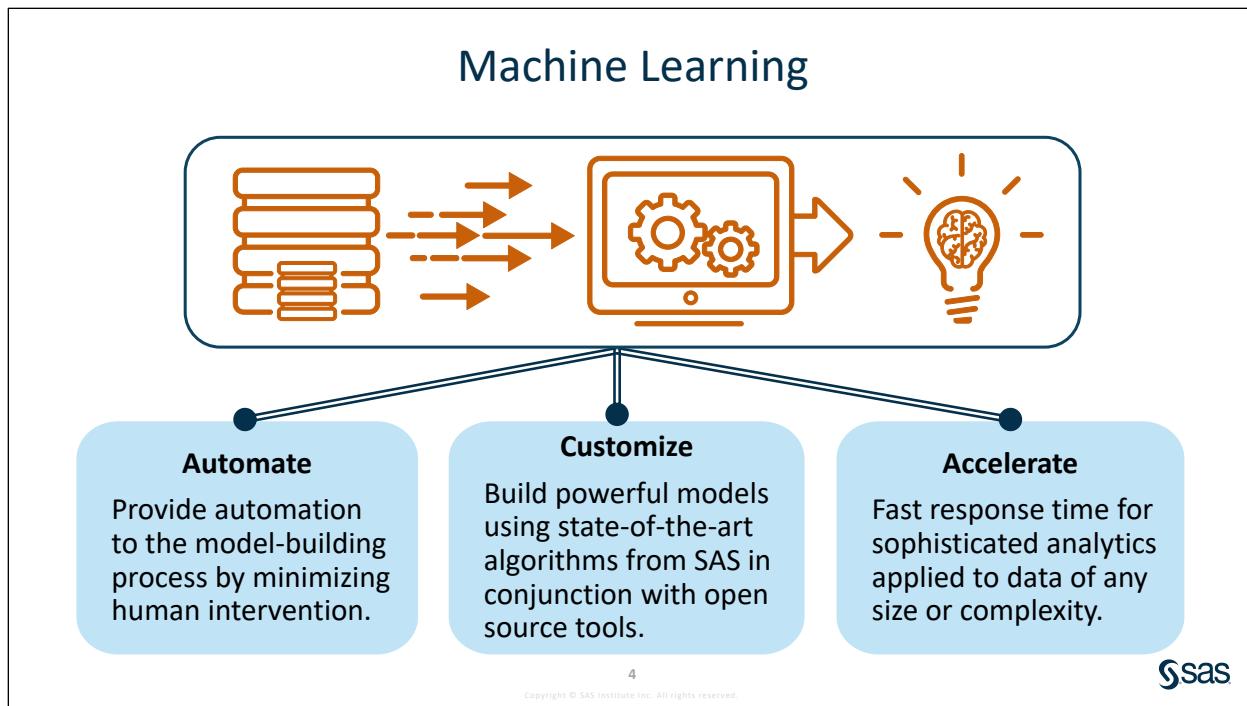
Klaus Schwab
Founder and Executive Chairman
World Economic Forum



In today's marketplace, all you need is to deliver fast results with a lot of data!

The message here is about the importance of speed to deliver the models in production, considering the entire process of identifying the information needed to proceed the model: preparing the data; training, validating, and testing the model; and finally deploying it in production.

Organizations in very dynamic and competitive markets require even more velocity in such an analytical cycle, and machine learning is the center of focus to achieve this.



Machine learning is a branch of artificial intelligence that automates the building of systems that learn iteratively from data, identify patterns, and predict future results – with minimal human intervention. It shares many approaches with other related fields, but it focuses on predictive accuracy rather than interpretability of the model.

Building representative machine learning models that generalize well on future data requires careful consideration of both the data at hand and assumptions about the various available training algorithms.

Today's Business Challenges

Fraud
Targeted Marketing
Financial Risk
Churn

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Listed here are some use cases in the context of machine learning. Fraud, targeted marketing, financial risk and churn are common application areas.

Fraud detection methods attempt to detect or impede illegal activity that involves financial transactions. Fraud is intentionally committing a misleading act for financial gain. Anomaly detection is one of the ways to detect fraud. You look to predict an event that occurs rarely and identify patterns in the data that do not conform to expected behavior, such as an abnormally high purchase made on a credit card. This is where machine learning algorithms can be used effectively.

Targeted marketing is one more common application area. Most companies rely on some form of direct marketing to acquire new customers and generate additional revenue from existing customers. Predictive modeling generally accomplishes this by helping companies answer crucial questions such as the following: Who should I contact? What should I offer? When should I make the offer? How should I make the offer?

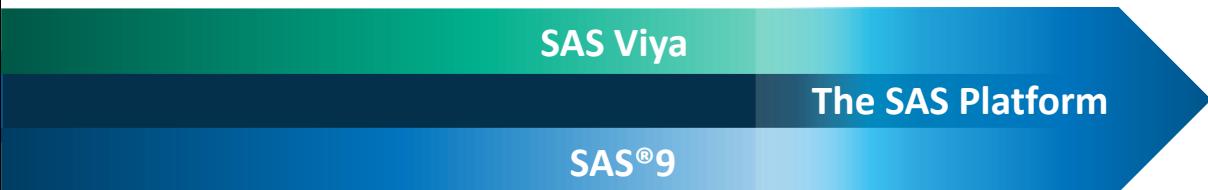
Financial risk management models attempt to predict monetary events such as credit default, loan prepayment, and insurance claim. Banks use multiple models to meet a variety of regulations (such as CCAR and Basel III). With increased scrutiny on model risk, bankers must establish a model risk management program for regulatory compliance and business benefits. Models are useful things to have around, and bankers have come to rely on them for certain applications, some of which expose the bank to significant risks. Predictive models fall into this category. Examples include loan approval using credit scoring and hedging models using swaps and options to manage the balance sheet while protecting liquidity and determining capital adequacy.

Churn or attrition is the turnover of customers of a product or users of a service. Churn is the focus in this course and is discussed soon.

This list is not exhaustive. There are many more applications that machine learning impacts today. For example, database marketing applications include offer response, up-sell, cross-sell, and attrition models. Process monitoring applications detect deviations from the norm in manufacturing, financial, and security processes. Pattern detection models are used in applications ranging from handwriting analysis to medical diagnostics.

Recommendations, text mining, and predictive asset maintenance are some others, to name a few.

Today's Tools



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The SAS Platform is a software foundation that is engineered to address today's business challenges and to generate insights from your data in any computing environment. SAS Viya is the latest extension of the SAS Platform. The SAS Platform is designed to enable analytics to the enterprise. SAS Viya seamlessly scales for data of any size, type, speed, and complexity and is interoperable with SAS®9.

You can achieve excellence in machine learning analytics with the SAS Platform that supports diversity, enables scale, and promotes trust.

Today's Tools

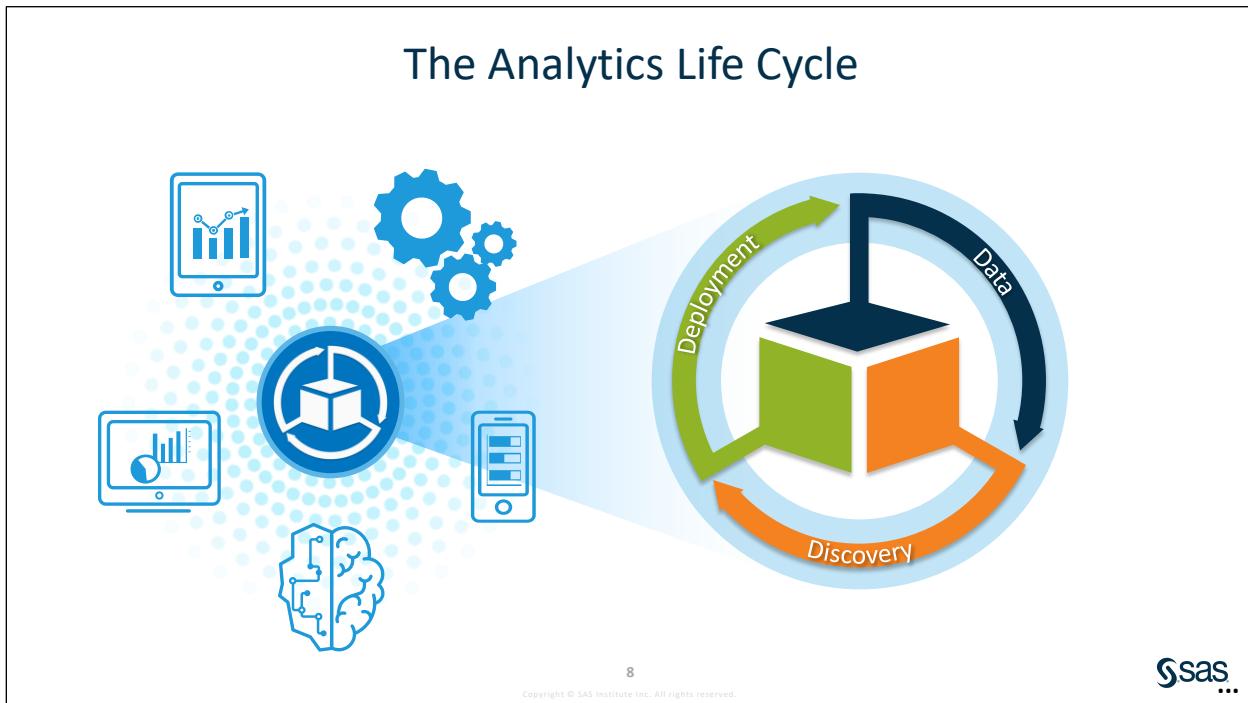


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In this course, you learn to use SAS Viya to create supervised machine-learning models. You need to go from data to decisions as quickly as possible. Machine learning models are at the heart of critical business decisions. They can identify new opportunities and enable you to manage uncertainty and risks. To create these models, you need powerful and easy-to-use software that can help you wrangle your data into shape and quickly create many accurate predictive models. You also need an integrated process to manage your analytical models for optimal performance throughout their lifespan. SAS Viya provides efficient, repeatable processes and a reliable architecture for managing data, communicating the rationale, and tracing the predictive analytics models through the deployment phase.

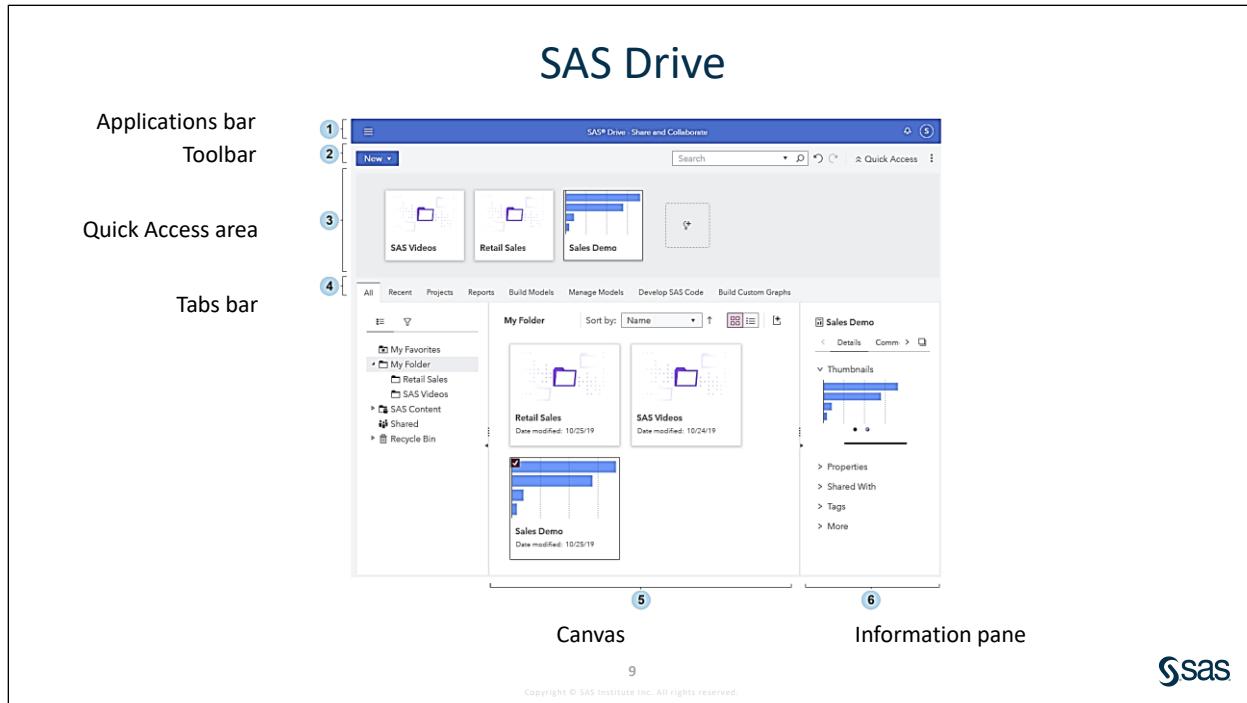
SAS Viya is a cloud-enabled, in-memory analytics engine that delivers everything you need for quick, accurate, and consistent results. Elastic, scalable, and fault-tolerant processing addresses the complex analytical challenges of today and effortlessly scales to meet your future needs.



The “heart” of the SAS Platform is the analytics life cycle, and the real value from machine learning is derived with the actionable insights throughout the analytics life cycle. In its simplest form, the analytics life cycle is a series of activities with the goal to extract value from raw data. The definition of *value* is specific to your organization’s goals and objectives.

The three phases of the analytics life cycle are ***data***, ***discovery***, and ***deployment***. Data are the foundation of everything you do, discovery is the act of finding something that you had not known before, and deployment is where you get the value out of analytics. Recognizing and fully supporting all three is necessary to generate impactful insights that come from transforming data into value. You can start in any of them, but it is important to know the next step and how to get there.

SAS delivers the ability to address and connect each phase of this analytics life cycle. SAS is uniquely positioned to offer the complete picture.



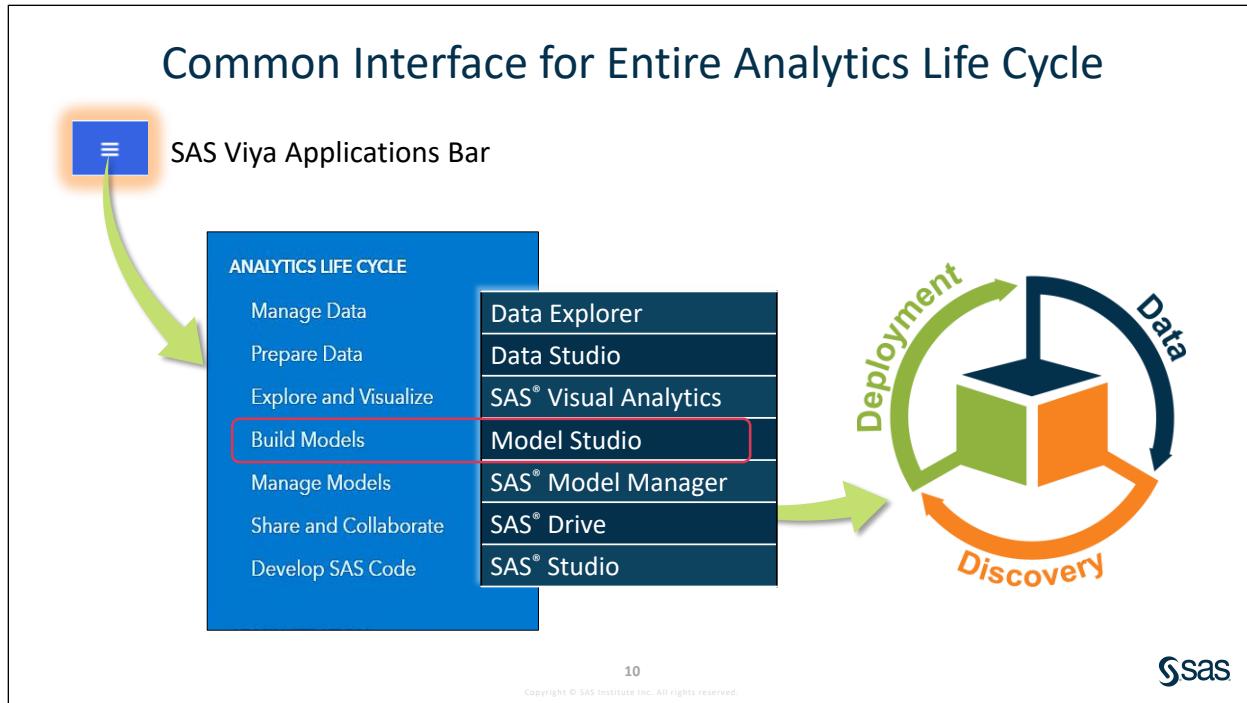
Note: The icons and layout of SAS Drive might vary slightly depending on the version of Viya installed. The color of certain icons and pipeline nodes, which will be introduced later, might also vary.

SAS Drive is a hub for the SAS Viya applications that enables you to easily view, organize, and share your content from one place.

SAS Drive uses the standard sign-in window for SAS applications. To display a sign-in window, enter the URL provided by your administrator (for example, <https://prod.host.com/SASDrive>).

SAS Drive is always available from the Applications bar in the upper left. The displayed tabs depend on the products that are installed at your site. To open SAS Drive from another SAS Viya application, select **Share and Collaborate** from the side menu in the application banner.

My Folder is a shortcut to **/SAS Content/Users/[userID]/MyFolder/**.



SAS Drive is a common interface for the SAS Viya applications that supports all three phases of the analytics life cycle.

The availability of the features in SAS Drive depends on the applications that have been installed and the features and permissions that have been specified by your administrator.

Below is an indicative list (not exhaustive) of actions and their corresponding SAS Viya interfaces:

| Action | SAS Viya Interface |
|----------------------------|----------------------|
| Develop SAS Code | SAS Studio |
| Manage Data | Data Explorer |
| Prepare Data | Data Studio |
| Explore and Visualize Data | SAS Visual Analytics |
| Build Models | Model Studio |
| Manage Models | SAS Model Manager |
| Manage Decisions | SAS Decision Manager |
| Explore Lineage | SAS Lineage Viewer |
| Build Graphs | SAS Graph Builder |
| Manage Workflows | SAS Workflow Manager |

This course focuses on the Build Models action that launches Model Studio pipelines.

Model Studio enables you to explore ideas and discover insights. In other words, it is part of discovery piece of the analytics life cycle. Model Studio is a central, web-based application that includes a suite of integrated data mining tools. **The data mining tools supported in Model Studio are designed to take advantage of the SAS Viya programming and cloud processing environments to deliver and distribute analytic model data mining champion models, score code, and results.**

Model Studio is a common interface that contains the following SAS solutions:

- SAS Visual Forecasting
- SAS Visual Data Mining and Machine Learning
- SAS Visual Text Analytics

This course addresses the following SAS Platform components:

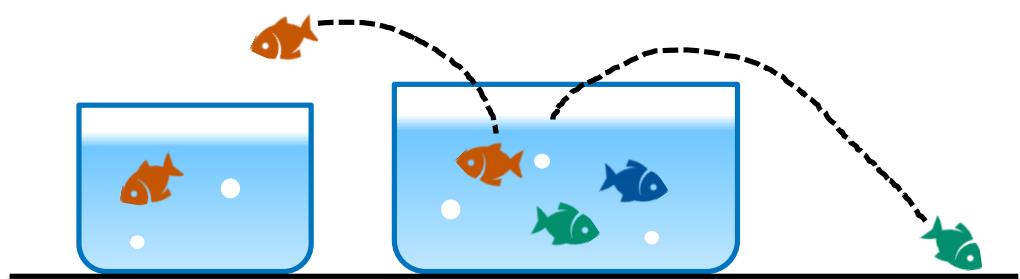
| Component | Component Name |
|------------------|---|
| Foundation | SAS Viya |
| Software Product | SAS Visual Data Mining and Machine Learning |
| SAS Drive Action | Build Models |
| Interface | Model Studio / Pipelines |

Note: The visual analytic data mining tools that appear in Model Studio are determined by your site's licensing agreement. Model Studio operates with one, two, or all three of the web-based analytic tools as components of the software.

Note: Model Studio comes with SAS Data Preparation Basic. SAS Data Preparation is a software offering that adds data quality transformations and other advanced features. There are several options that enable you to perform specific data preparation tasks for applications, such as SAS Environment Manager, SAS Visual Analytics, Model Studio, and SAS Decision Manager. You can perform some of the basic data preparation tasks through Model Studio.

Business Challenge: Customer Churn

Customer churn, also known as *customer attrition*, is when an existing customer, subscriber, user, or any return client stops doing business or ends the relationship with a company.



This course emphasizes churn. Nevertheless, the approach shown here can be applied to any business problem regardless of the domain.

Customer churn is one of the main problems in many businesses. Studies have shown that attracting new customers is much more expensive than retaining existing ones. Consequently, companies focus on developing accurate and reliable predictive models to identify potential customers who will churn soon.

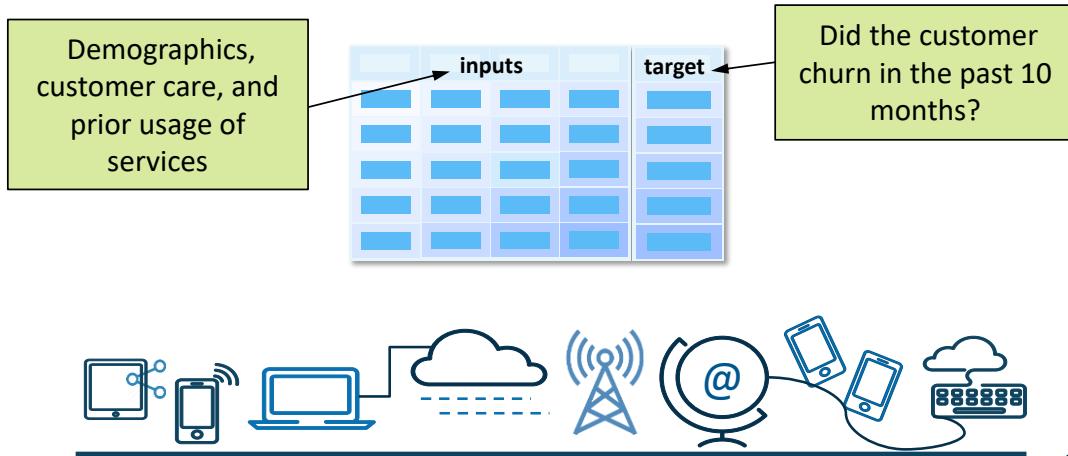
Analysis of churn prediction covers several phases:

- understanding the business
- performing selection, analysis, and data processing
- implementing various algorithms for classification
- evaluating the classifiers and choosing the best one for prediction

The obtained results should be of great value for management.

Customer Churn Scenario: Analysis Goal

A fictitious telecommunications company seeks to determine which customers might be likely to churn.



The communications sector evolves and grows more than virtually any other industry. Mobile devices and broadband connectivity continue to be more embedded in every aspect of society, driving how we live and work, including trends in video streaming, Internet of Things, mobile payments, messaging, geo-localization, and social media. This growth comes with new players, representing opportunities but also threats. And churn is now beyond the traditional barriers. Companies need to understand consumers' behaviors to deploy effective retention and loyalty programs.

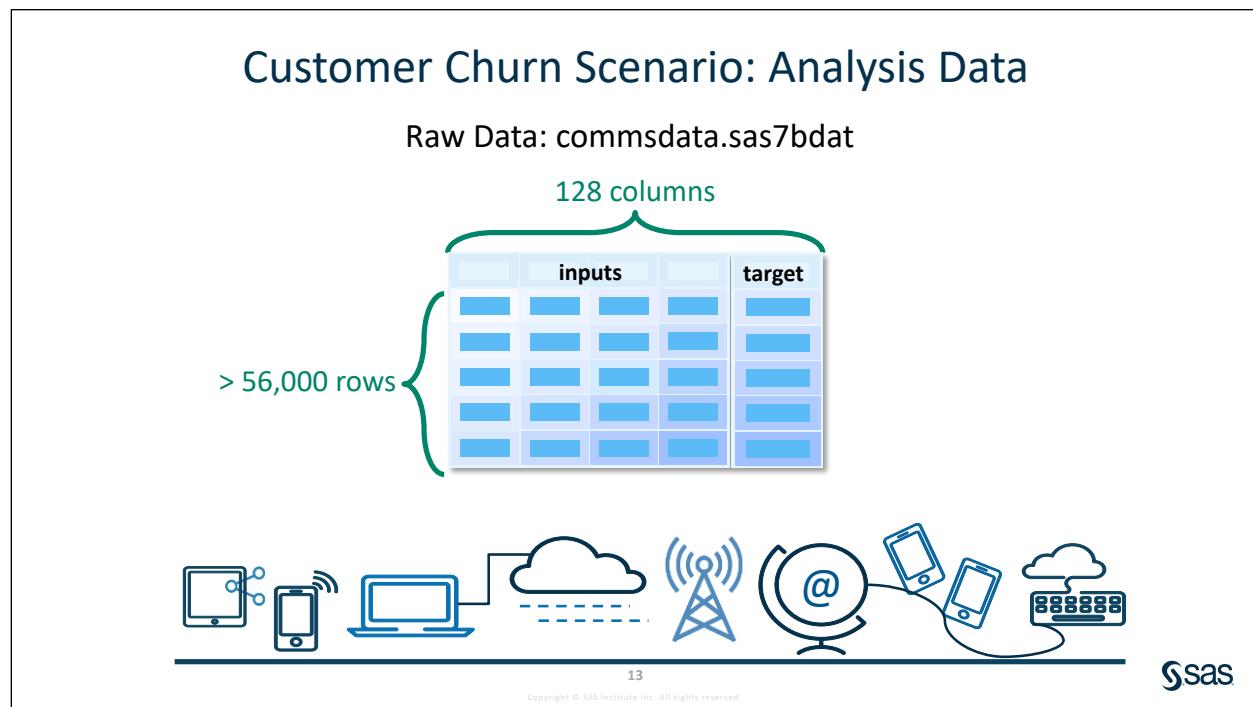
The analytics life cycle starts with defining the analysis goal regarding the business problem at hand. The business case study in this course refers to a fictitious telecommunications company, which is trying to reduce its churn rate. Churn is an inescapable reality in the telecom world. Customers come and go, swayed by the latest disappointments or the latest deals. This churn is costly. It is far more expensive to acquire a customer than to satisfy and retain an existing one.

Analytics has proven its value in identifying customers at risk for churn and helping marketers understand how to retain them. Major service providers have adopted churn propensity models that have succeeded in reducing the churn rate for post-paid subscribers in an effective way. This fictitious telecommunications company has a reasonable amount of data to describe the customer's behavior. The main goal is to use these data and train supervised learning models to predict the churn event.

Other Machine Learning Applications in Telecommunications

Other machine learning applications in the telecommunication industry include network management and network optimization. This includes modeling and predicting network traffic fluctuations to optimize quality of service and routing by being able to reallocate bandwidth as needed, identify and resolve network bottlenecks, manage capacity to plan for infrastructure investments, maintain quality of service, and optimize the network for their most valuable customers.

Fraud detection is another example in the telecommunication sector. Predictive models are built to protect customers and their bottom line by proactively detecting fraudulent activities. You utilize usage data, location-specific data, and customer account data in real time to model baseline "normal" behavior and flag when behavior deviates from this "normal." Atypical phone calls that might indicate theft or hacking can be flagged.



The **commsdata** data set contains a reasonable amount of data that describe consumer behavior. The input variables include demographic type variables, variables that describe product usage and type, billing data, and customer service/call center information. The main goal is to use this set of input variables and train supervised learning models to predict the churn event.

ID variable

| Name | Label | Description |
|-------------|-------------|--|
| Customer_ID | Primary Key | Unique identification of the customer. |

Target variables

| Name | Label | Description |
|--------------|-------------------|--|
| Churn | Churn | Indicates whether customers churned. |
| Upsell_xsell | Xsell Upsell Flag | Indicates customer's flag for cross-sell or up-sell. (You do not use this variable in this course.) |

Categorical-valued inputs

| Name | Label | Description |
|-------------------|---------------------------|---|
| credit_class | Credit Class | Credit category for an account or customer. It summarizes the overall credit worthiness of a customer or account. |
| sales_channel | Acquisition Channel | The way in which the consumer was persuaded to purchase company's services. |
| region | Account Region | Customer account region. |
| state | Account State | Customer state location. |
| city | Account City | City designation for customer address. |
| zipcode_primary | Account Code | Primary customer ZIP code. |
| product_plan_desc | Plan Name | Customer's product plan. |
| handset_age_grp | Handset Age Group | Customer's handset age in days. |
| handset | Handset Mfg | Handset manufacturer. Values include <i>Apple</i> , <i>HTC</i> , <i>LG</i> , <i>Motorola</i> , <i>Nokia</i> , <i>Samsung</i> , and <i>Unknown</i> . |
| lifestage | Plan Life Stage | Type of contract. |
| rp_pooled_ind | Pooled Rate Plan | Indicates whether customer has pooled rate. |
| call_center | Last Call Center Used | Location of the last call center used. |
| issue_level1 | Call Center Issue Level 1 | Level 1 reason of the call. |
| issue_level2 | Call Center Issue Level 2 | Level 2 reason of the call. |
| call_category_1 | Call Center Category 1 | Category 1 for the call. |
| call_category_2 | Call Center Category 2 | Category 2 for the call. |
| resolution | Final Resolution | Resolution action taken by call center. |
| verbatim | Survey Verbatim | Feedback from customers via call centers. |

Interval-valued inputs

| Name | Label | Description |
|-------------------|-------------------------------------|--|
| lifetime_value | Lifetime Value | Customer's value. |
| avg_arpu_3m | 3M Avg Revenue per User | Average revenue for the past three months. |
| acct_age | Account Tenure | Number of months that the account has been active. |
| billing_cycle | Billing Cycle | Customer's billing cycle (period of the month). |
| nbr_contract_ltd | Total Number Contract lifetime | Number of contracts during life cycle. |
| rfm_score | Account Ranking (RFM Score) | Customer's account score. |
| Est_HH_Income | Estimated HH Income | Household income. |
| region_lat | Account Region Latitude | Customer region latitude. |
| region_long | Account Region Longitude | Customer region longitude. |
| state_lat | Account State Latitude | State latitude. |
| state_long | Account State Longitude | State longitude. |
| city_lat | Account City Latitude | Customer city latitude. |
| city_long | Account City Longitude | Customer city longitude. |
| zip_lat | Account ZIP Code Latitude | ZIP code latitude. |
| zip_long | Account ZIP Code Longitude | ZIP code longitude. |
| cs_med_home_value | Census Area Median Home Value Index | Median home value in customer's area. |
| cs_pct_home_owner | Census Area Percent Home Owner | Percentage home owner in customer's area. |
| cs_ttl_pop | Census Area Total Population | Population in customer's area. |
| cs_hispanic | Census Area Hispanic | Hispanic population in customer's area. |
| cs_caucasian | Census Area Caucasian | Caucasian population in customer's area. |
| cs_afr_amer | Census Area African-American | African-American population in customer's area. |
| cs_other | Census Area Other | Other population in customer's area. |
| cs_ttl_urban | Census Area Total Urban | Urban population in customer's area. |

| Name | Label | Description |
|-------------------------|------------------------------|---|
| cs_ttl_rural | Census Area Total Rural | Rural population in customer's area. |
| cs_ttl_male | Census Area Total Males | Male population in customer's area. |
| cs_ttl_female | Census Area Total Females | Female population in customer's area. |
| cs_ttl_hhlds | Census Area Total Households | Households in customer's area. |
| cs_ttl_mdage | Census Area Median Age | Median age in customer's area. |
| mb_inclplan | Plan Data MB | MB included in the plan. |
| ever_days_over_plan | Total Days Over Plan | Total days over the plan. |
| ever_times_over_plan | Total Times Over Plan | Total times over the plan. |
| data_device_age | Avg Age of Devices on Plan | Average age of devices on the plan. |
| equip_age | Handset Age | Age of equipment history, whether mobile device, smartphone, or another handset type. |
| mfg_apple | Own Apple | Apple manufactured device. 1 is Yes, 0 means No. |
| mfg_samsung | Own Samsung | Samsung manufactured device. 1 is Yes, 0 means No. |
| mfg_htc | Own HTC | HTC manufactured device. 1 is Yes, 0 means No. |
| mfg_motorola | Own Motorola | Motorola manufactured device. 1 is Yes, 0 means No. |
| mfg_lg | Own LG | LG manufactured device. 1 is Yes, 0 means No. |
| mfg_nokia | Own Nokia | Nokia manufactured device. 1 is Yes, 0 means No. |
| delinq_indicator | Delinquent Indicator | Delinquency indicator. Scale varies from -2 to +4, depending on customer history. |
| times_delinq | Consecutive Mths Delinquent | Consecutive months in default. |
| count_of_suspensions_6m | Times Suspended Last 6M | Times suspended in the past six months. |
| avg_days_susp | Days Suspended Last 6M | Days suspended in the past six months. |
| calls_total | Total Calls Curr | Current number of calls. |

| Name | Label | Description |
|---------------------------|--|---|
| calls_in_pk | Calls Incoming Peak | Number of calls received in peak time. |
| calls_in_offpk | Calls Incoming Off-Peak | Number of call received off peak time. |
| calls_out_offpk | Calls Outgoing Off-Peak | Number of calls made in peak time. |
| calls_out_pk | Calls Outgoing Peak | Number of calls made off peak time. |
| mou_total_pct_MOM | Minutes Total Pct Change Month over Month | Percentage of minutes change month over month. |
| mou_onnet_pct_MOM | Minutes on Network Pct Change Month over Month | Percentage of minutes on network change month over month. |
| mou_roam_pct_MOM | Minutes Roaming Pct Change Month over Month | Percentage of minutes on roaming change month over month. |
| mou_onnet_6m_normal | 6M Avg Minutes on Network Normally Distributed | Minutes of use on network over six months normally distributed. |
| mou_roam_6m_normal | 6M Avg Minutes Roaming Normally Distributed | Minutes of use in roaming over six months normally distributed. |
| voice_total_bill_mou_curr | Total Voice Billed Minutes of Use | Current minutes of voice billed. |
| tot_voice_chrgs_curr | Total Voice Charges | Current minutes of voice charged. |
| tot_drpdt_pr1 | Number of Dropped Calls 1 Mth Prior | Number of dropped calls on the previous month. |
| bill_data_usg_m03 | 3M Avg Billed Data Usage | Average data billed over the past three months. |
| bill_data_usg_m06 | 6M Avg Billed Data Usage | Average data billed over the past six months. |
| bill_data_usg_m09 | 9M Avg Billed Data Usage | Average data billed over the past nine months. |
| mb_data_usg_m01 | MB Data Usage 1 Mth Prior | MB data used on the previous month. |
| mb_data_usg_m02 | MB Data Usage 2 Mths Prior | MB data used prior two months. |
| mb_data_usg_m03 | MB Data Usage 3 Mths Prior | MB data used prior three months. |
| mb_data_ndist_mo6m | 6M Avg Billed Data Usage Normally Distributed | Data used on network over six months normally distributed. |

| Name | Label | Description |
|------------------------|--|--|
| mb_data_usg_roamm01 | MB Data Usage Roam 1 Mth Prior | Data used in roaming in the previous month. |
| mb_data_usg_roamm02 | MB Data Usage Roam 2 Mths Prior | Data used in roaming prior two months. |
| mb_data_usg_roamm03 | MB Data Usage Roam 3 Mths Prior | Data used in roaming prior three months. |
| data_usage_amt | Data Usage Amount | Total data usage amount over last month. |
| tweedie_adjusted | Data Usage Amt Tweedie Distributed | Data used in Twitter. |
| tot_mb_data_curr | Total MB of Data Usage | Current MB data used. |
| tot_mb_data_roam_curr | Total MB of Roam Data Usage | Current MB data used in roaming. |
| bill_data_usg_total | Total Billed Data usage | Total billed data. |
| tot_overage_chgs | Total Overage Charges | Total overage charged. |
| data_prem_chrgs_curr | Premium Data Charges | Premium data charged. |
| nbr_data_cdrs | Number of Data Records | Number of call detail records. |
| avg_data_chrgs_3m | 3M Avg Data Charges | Average data charged in the past three months. |
| avg_data_prem_chrgs_3m | 3M Avg Premium Data Charges | Average premium data charged in the past three months. |
| avg_overage_chrgs_3m | 3M Avg Overage Charges | Average overage data charged in the past three months. |
| nbr_contacts | Number Times Customer Contacted | Number of contacts customer made to the company. |
| calls_TS_acct | Number Calls Tech Support | Number of tech support calls. |
| open_tsupcomplnts | Open Tech Support Complaints | Number of tech support complains opened. |
| num_tsupcomplnts | Tech Support Complaints - LTD | Number of tech support complains. |
| unsolv_tsupcomplnts | Unresolved Tech Support Complaints - LTD | Number of unsolved tech support complaints. |
| wrk_orders | Open Work Orders | Number of open work. |
| days_openwrkorders | Days of Open Work Orders | Days of open work. |
| resolved_complnts | Resolved Complaints | Number of complaints resolved. |

| Name | Label | Description |
|-----------------------|--------------------------------------|--|
| calls_care_acct | Number Calls Care Center | Call center care account assignment, which takes values between 0-9. |
| calls_care_3mavg_acct | Number Calls Care Center 3 Month Avg | Call center care account score over past three months averaged. |
| calls_care_6mavg_acct | Number Calls Care Center 6 Month Avg | Call center care account score over past six months averaged. |
| res_calls_3mavg_acct | Resolved Calls – 3Mo Average | Average number of resolved customer service calls over past three months for the customer account. |
| res_calls_6mavg_acct | Resolved Calls – 6Mo Average | Average number of resolved customer service calls over past six months for the customer account. |
| last_rep_sat_score | Last Call Satisfaction Rating Given | Latest customer service representative satisfaction score (given by past customers). |
| network_mention | Network Issues Discussed | Number of network issues discussed. |
| service_mention | Service Issues Discussed | Number of service issues discussed. |
| price_mention | Price Issues Discussed | Number of prices issues discussed. |
| times_susp | Number of Times Suspended | Number of times suspended. |
| curr_days_susp | Number of Days Suspended | Number of days suspended. |
| pymts_late_ltd | Total Late Payments Lifetime | Number of late payments. |
| calls_care_ltd | Total Calls to Care Lifetime | Number of calls to call center. |
| MB_Data_Usg_M04 | MB of Data Usage Month 4 | MB data used in past four months. |
| MB_Data_Usg_M05 | MB of Data Usage Month 5 | MB data used in past five months. |
| MB_Data_Usg_M06 | MB of Data Usage Month 6 | MB data used in past six months. |
| MB_Data_Usg_M07 | MB of Data Usage Month 7 | MB data used in past seven months. |
| MB_Data_Usg_M08 | MB of Data Usage Month 8 | MB data used in past eight months. |

| Name | Label | Description |
|----------------------|-------------------------------|---|
| MB_Data_Usg_M09 | MB of Data Usage Month 9 | MB data used in past nine months. |
| seconds_of_data_norm | Seconds of Data - Normalized | Number of seconds of data normalized. |
| seconds_of_data_log | Seconds of Data - Natural Log | Number of seconds of data transformed by log. |



Creating a Project and Loading Data

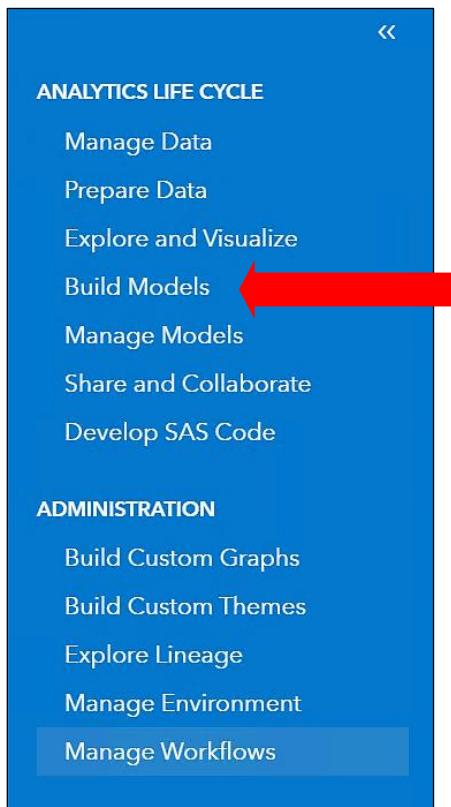
In this demonstration, you create a new project in Model Studio based on the **commsdata** data set. A project is a top-level container for your analytic work in Model Studio. The table is imported from a local drive. The type of project is defined. This project is used to predict churn for a fictitious telecommunications company. A target variable is selected for this table.

1. From the Windows taskbar, launch Google Chrome. When the browser opens, select **SAS Viya** ⇒ **SAS Drive** from the bookmarks bar or from the link on the page.
2. The user ID and password should be pre-filled. If not, perform the following two steps:
 - a. Enter **student** in the **User ID** field.
 - b. Enter **Metadata0** in the **Password** field.

Note: Use caution when you enter the user ID and password because values can be case sensitive.
3. Click **Sign In**.
4. Select **Yes** in the Assumable Groups window. The SAS Drive home page appears.

Note: The SAS Drive page on your classroom computer might not have the same tiles as the image above.

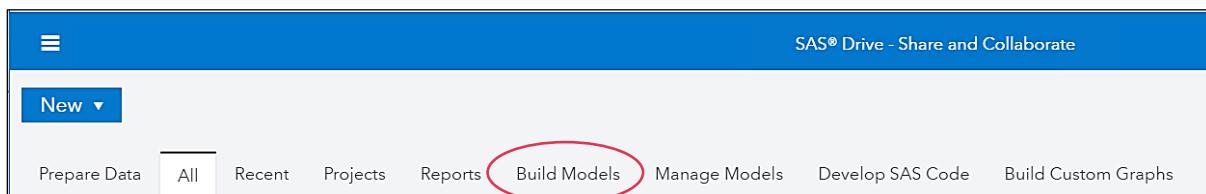
5. Click the **Applications** menu  in the upper left corner of the SAS Drive page. Select **Build Models**.



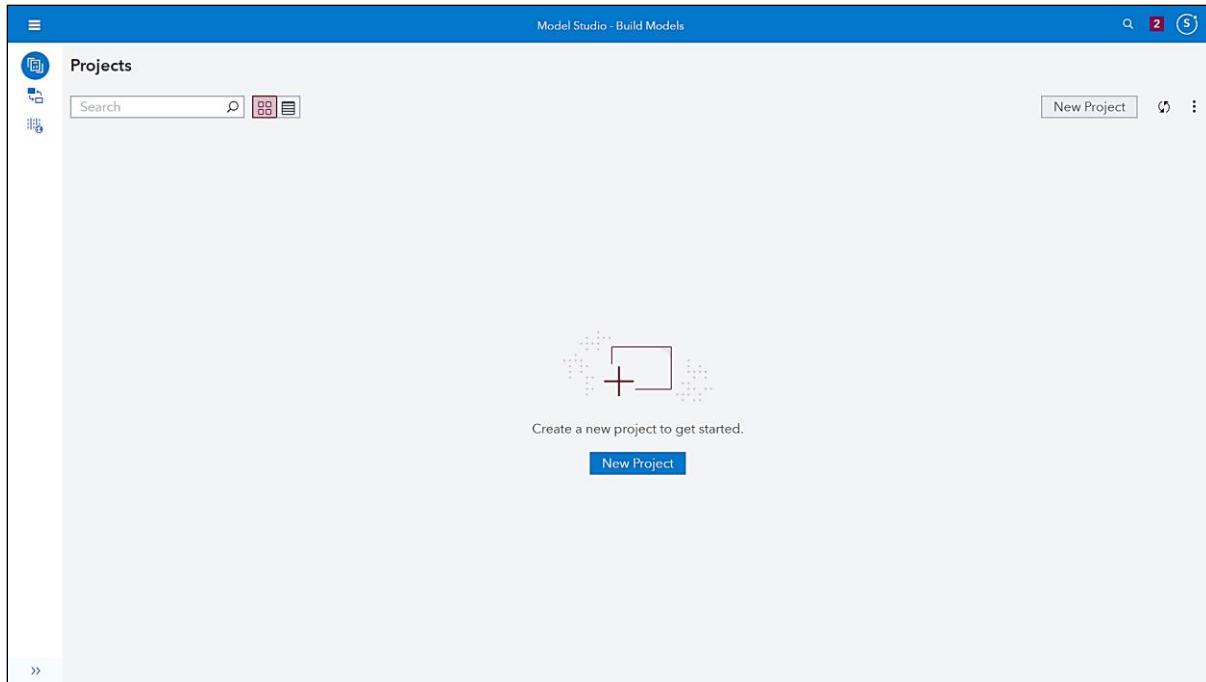
This launches Model Studio.

Note: Some of the top features in Model Studio in SAS Visual Data Mining and Machine Learning are presented in a paper titled '*Playing Favorites: Our Top 10 Model Studio Features in SAS® Visual Data Mining and Machine Learning*' at <https://www.sas.com/content/dam/SAS/support/en/sas-global-forum-proceedings/2019/3236-2019.pdf>

Alternatively, click **Build Models** tab in the upper ribbon.



The Model Studio Projects page is now displayed.



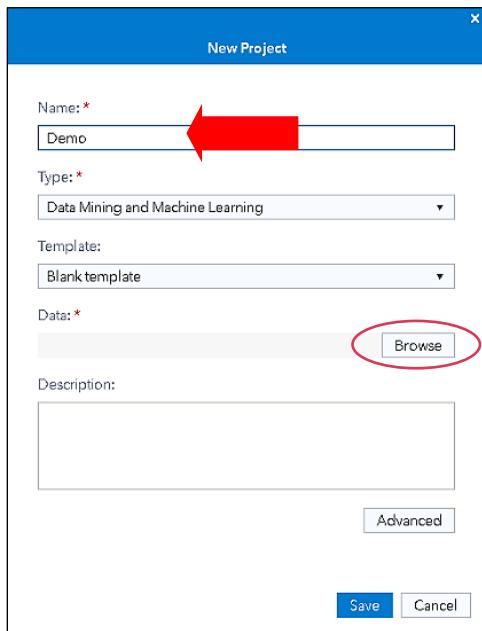
Note: On your classroom computer, the Projects page might differ from the image above. There might be pre-existing projects on your classroom computer.

From the Model Studio Projects page, you can view existing projects, create new projects, access the Exchange, and access Global Metadata. Model Studio projects can be one of three types (depending on the SAS licensing for your site): Forecasting projects, Data Mining and Machine Learning projects, and Text Analytics projects.

Note: The Exchange organizes your favorite settings and enables you to collaborate with others in one place. Find a recommended node template or create your own template for a streamlined workflow for your team. The Exchange is accessed later in the course.

6. Select **New Project** in the upper right corner of the Projects page.

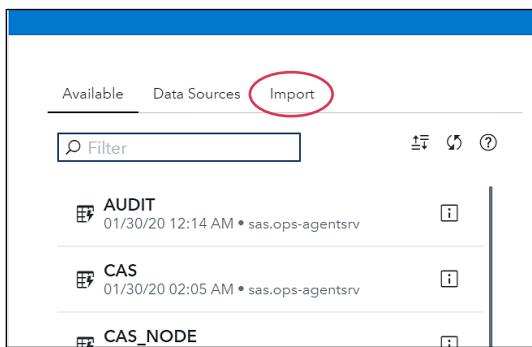
7. Enter **Demo** as the name in the New Project window. Leave the default type of **Data Mining and Machine Learning**. Click **Browse** in the Data field.



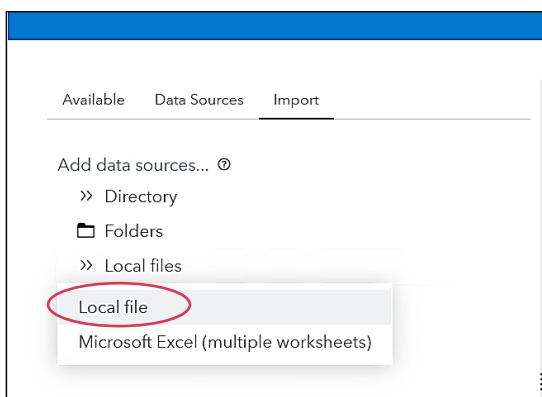
Note: You can specify a pipeline template at project creation. Continue with a blank template. Pipeline templates are discussed soon.

8. Import a SAS data set into CAS.

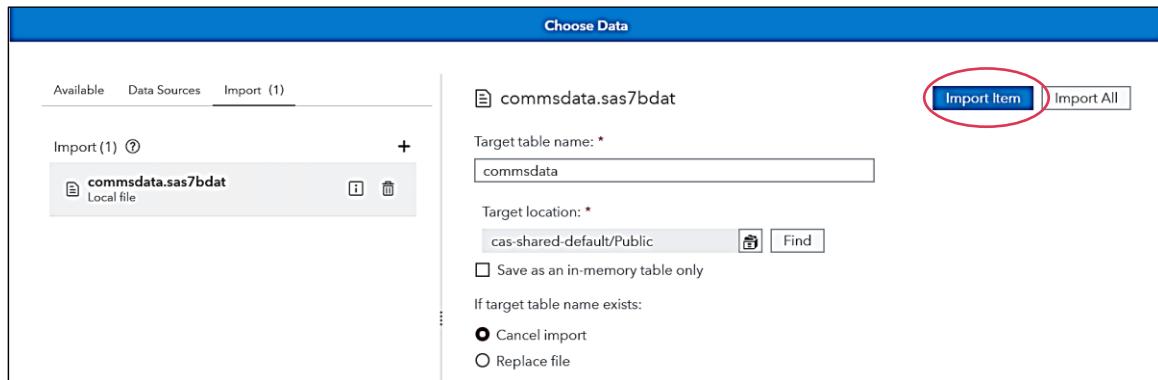
- a. In the Choose Data window, click **Import**.



- b. Under Import, expand **Local Files** and then select **Local File**.

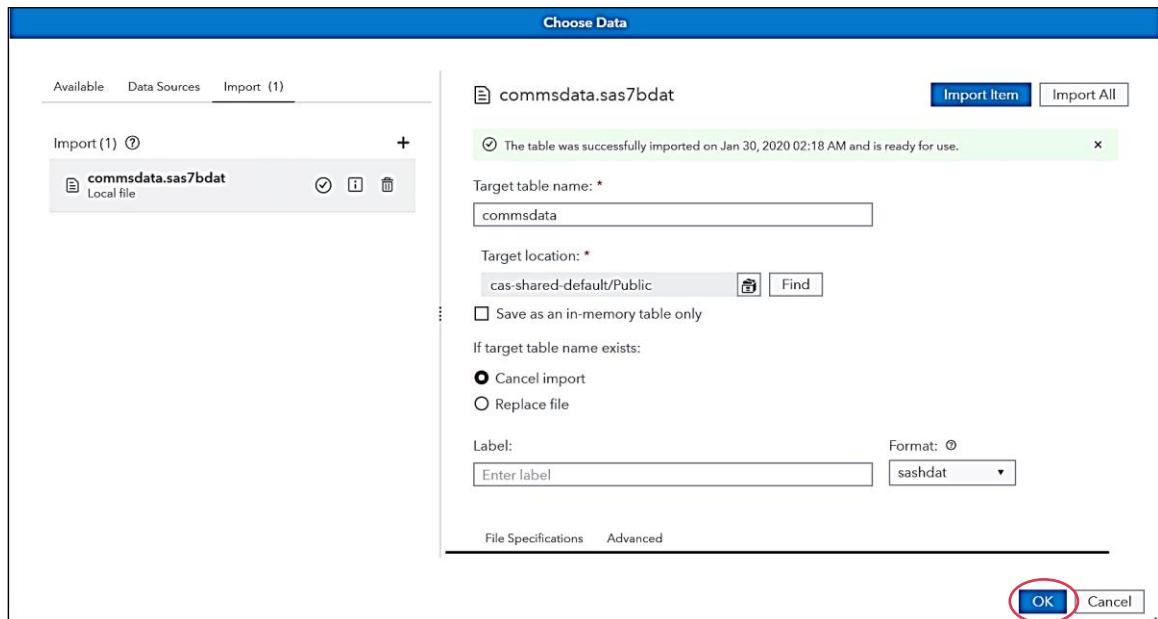


- c. Navigate to **D:\Workshop\winsas\CPML**.
- d. Select the **commsdata.sas7bdat** table. Click **Open**.
- e. Select **Import Item**. Model Studio parses the data set and pre-populates the window with data set configurations.



Note: When the data is in memory, it is available for other projects through the Available tab.

- f. Click **OK** after the table is imported.



Note: Tables are imported to the CAS server and are available to use with SAS Visual Analytics. When the import is complete, you are returned to Model Studio. For more information about data types supported in CAS and how to load data into CAS, see the details section at the end of this demo.

9. Click **Advanced** in the New Project window.

The screenshot shows the 'New Project' dialog box. It includes fields for Name (Demo), Type (Data Mining and Machine Learning), Template (Blank template), Data (Public.COMMSDATA), and Description. At the bottom right, there is a blue 'Advanced' button, which is highlighted with a red oval. Below the 'Advanced' button are 'Save' and 'Cancel' buttons.

10. The Advanced project settings appear. There are four groups of Advanced project settings: Advisor Options, Partition Data, Event-based Sampling, and Node Configuration.

Under the Advisor Options group, there are three options:

Maximum class levels specifies the threshold for rejecting categorical variables. If a categorical input has more levels than the specified maximum number, it is rejected.

Interval cutoff determines whether a numeric input is designated as interval or nominal. If a numeric input has more distinct values/levels than the interval cutoff value, it is declared interval. Otherwise, it is declared nominal.

Maximum percent missing specifies the threshold for rejecting inputs with missing values. If an input has a higher percentage of missing values than the specified maximum percent, it is rejected. This option can be turned on or off. It is on by default.

Note: This is the only place where these Advisor Options are seen and can be changed.

The screenshot shows the 'New Project Settings' dialog box with the 'Advisor Options' tab selected. On the left, there are tabs for 'Advisor Options', 'Partition Data', 'Event-Based Sampling', and 'Node Configuration'. Under 'Advisor Options', there are three settings: 'Maximum class level' set to 20, 'Interval cutoff' set to 20, and a checked checkbox for 'Apply the "maximum percent missing" limit'. Below these is a field for 'Maximum percent missing' set to 50. At the bottom of the dialog box is a 'Save' button.

The Advanced project settings options for Partition Data and Event-Based Sampling are covered in the next section. And, along with Node Configuration, they are discussed in the next demonstration. You can access the Partition Data, Event-Based Sampling, and Node Configuration options here, and you can also access them after the project is created.

Click **Cancel** to return to the New Project window.

11. Click **Save**.

New Project

Name: *
Demo

Type: *
Data Mining and Machine Learning

Template:
Blank template ▾ Browse

Data: *
Public.COMMSDATA Browse

Description:

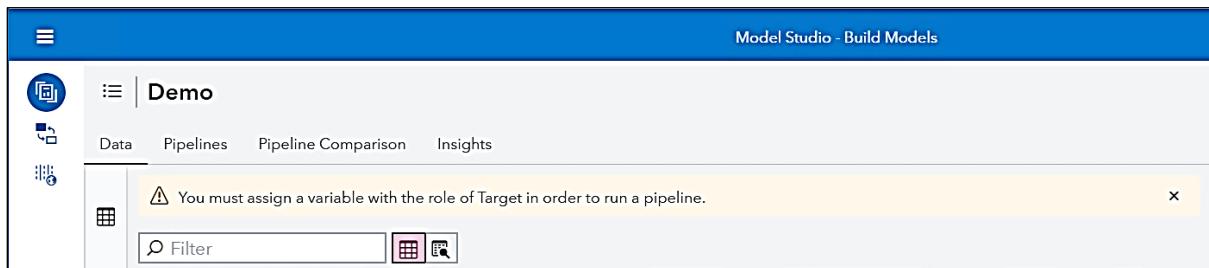
Advanced

Save Cancel

Note: After you create your new project, Model Studio takes you to the Data tab of your new project. Here, you can adjust data source variable role and level assignments and define certain metadata rules (for example, methods of imputation and transformation). You can also retrain a model with new data, if the target variable in the new data set is the same as the original data set.

Note: In Model Studio, metadata is defined as the set of variable roles, measurement levels, and other configurations that apply to your data set. When you need to create multiple projects using similar data sets (or when using a single data set), you might find it useful to store the metadata configurations for usage across projects. Model Studio enables you to do this by collecting the variables in a repository named Global Metadata. By storing your metadata configurations as global metadata, the configurations will apply to new data sets that contain variables with the same names.

12. When the project is created, you need to assign a target variable to run a pipeline. In Model Studio, you can create analytic process flow in the form of a pipeline.



You can also have target variable roles already defined in your data. Model Studio provides several options for managing and modifying data. The Data tab enables you to modify variable assignments and manage global metadata.

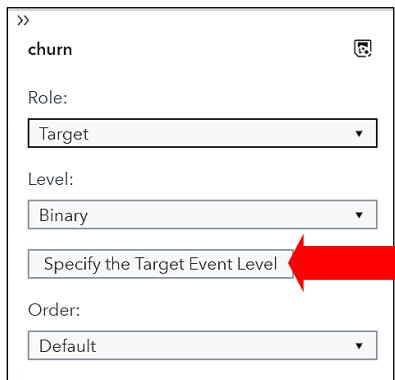
13. In the variables window, select **churn** (Step 1). Then in the right pane, select **Target** under the Role property (Step 2). (You might need to scroll down in the variable list to see **churn**.)

| Variable Name | Label | Type | Role | Level |
|---|---------------------------|-----------|--------|----------|
| calls_out_offpk | Calls Outgoing Off-Peak | Numeric | Input | Interval |
| calls_out_pk | Calls Outgoing Peak | Numeric | Input | Interval |
| calls_total | Total Calls Curr | Numeric | Input | Interval |
| calls_TS_acct | Number Calls Tech Support | Numeric | Input | Interval |
| <input checked="" type="checkbox"/> churn | Churn Flag | Numeric | Target | Binary |
| city | Account City | Character | ID | Nominal |
| city_lat | Latitude | Numeric | Input | Interval |
| city_long | Longitude | Numeric | Input | Interval |
| count_of_suspects_6m | Times Suspended Last 6M | Numeric | Input | Nominal |
| credit_class | Credit Class | Character | Input | Nominal |

The right pane enables you to specify several properties of the variables, including Role, Level, Order, Transform, Impute, Lower Limit, and Upper Limit.

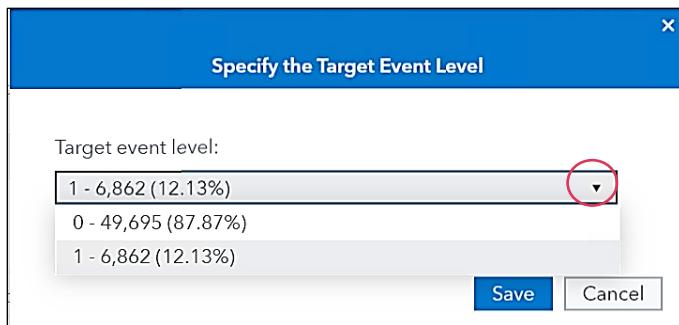
For the Transform, Impute, Lower Limit, and Upper Limit properties, altering these values on the Data tab does not directly modify the variable. Instead, this sets metadata values for these properties. The Data Mining Preprocessing nodes that use metadata values (Transformations, Impute, Filter, and Replacement) might use these parameters if the corresponding action is requested. You see this in the next few demonstrations.

14. Click **Specify the Target Event Level**. You can specify the target event level here that needs to be modeled.



15. Click the drop-down arrow.

Note that the churn rate is around 12%. By default, Model Studio considers alphanumerically the last category as the event, and therefore no change is required.



16. Close the Specify the Target Event Level window.

End of Demonstration

Details: CAS-Supported Data Types and Loading Data into CAS

Caslibs

All data are available to the CAS server through caslibs, and all operations in the CAS server that use data are performed using caslibs. A caslib provides access to files in a data source, such as a database or a file system directory, and to in-memory tables. Access controls are associated with caslibs to manage access to data. You can think of a caslib as a container where the container has two areas in which data are referenced: a physical space that includes the source data or files, and an in-memory space that makes the data available for CAS action processing. Authorized users can add or manage caslibs with the CASLIB statement. Caslib authorization is set by your administrator. In some instances, such as when you copy native CAS tables that are not in-memory, a caslib is required although data is not copied to the caslib.

Load Data to a Caslib

You can load a SAS data set, database tables, and more to a caslib. A DATA step, the CASUTIL procedure, and CAS actions can be used to load data in to CAS. After the data are in a caslib, you can use a DATA step, procedures, CAS actions, PROC DS2, or PROC FEDSQL operations on the CAS table. Tables are not automatically saved when they are loaded to a caslib. You can use PROC CASUTIL to save tables. Native CAS tables have the file extension .sashdat.

Note: For information about file types that are supported in CAS, see “Path-Based Data Source Types and Options” in *SAS® Cloud Analytic Services: User’s Guide* and the free video tutorial “Understanding Caslibs and Loading Data in SAS Viya” available here: <https://video.sas.com/category/videos/an-introduction-to-sas-viya-programming-for-sas-9-programmers>

Data Types

The CAS server supports the VARCHAR, INT32, INT64, and IMAGE data types in addition to the CHARACTER and NUMERIC data types, which are traditionally supported by SAS.

Variables that are created using the VARCHAR data type vary in width and use character semantics, rather than being fixed-width and using the byte semantics of the traditional CHARACTER data type. Using the VARCHAR data type in the DATA step in the CAS server has some restrictions.

Note: For more information, see “Restrictions for the VARCHAR Data Type in the CAS Engine” in *SAS® Cloud Analytic Services: User’s Guide*.

Variables that are created or loaded using the INT32 or INT64 data types support more digits of precision than the traditional NUMERIC data type. All calculations that occur on the CAS engine maintain the INT32 or INT64 data type. Calculations in DATA steps or procedures that run on the SAS®9 engine are converted to NUMERIC values.

The CHARACTER and NUMERIC data types continue to be the supported data types for processing in the SAS Workspace Server.

The DS2 language supports several additional data types. On the CAS server, DS2 converts non-native data types to CHARACTER, NUMERIC, or VARCHAR.

Note: For information about data types that are supported for specific data sources, see “Data Type Reference” in *SAS® DS2 Language Reference*.

The CAS language (CASL) determines the data type of a variable when the variable is assigned.

In the following table, the letter Y indicates the data types that are supported for programming on the CAS server. In the last column, Y indicates data types that are supported on the SAS Workspace Server.

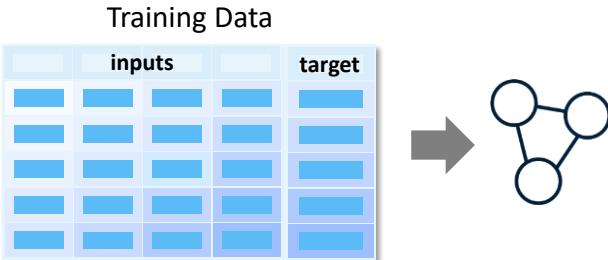
| Data Type | CAS Actions | CASL | Data Connectors | Procedures and DATA Step | DS2 | FedSQL | Workspace Server Processing |
|------------------|-------------|------|-----------------|--------------------------|-----|--------|-----------------------------|
| BIGINT | | | Y | | Y | | |
| BLOB | | Y | | | | | |
| BOOLEAN | | Y | Y | | | | |
| CHARACTER (CHAR) | Y | Y | Y | Y | Y | Y | Y |
| DATE | | Y | Y | | Y | | |
| DATETIME | | Y | Y | | | | |
| DOUBLE | Y | Y | Y | Y | Y | Y | |
| FLOAT | | | Y | | Y | | |
| IMAGE | Y | | | | | | |
| INTEGER | | | Y | | Y | | |
| INT32 | | Y | Y | | | Y | |
| INT64 | | Y | Y | | | Y | |
| ITEMS | | Y | | | | | |
| LISTS | | Y | | | | | |
| NCHAR | | | Y | | Y | | |
| NUMERIC (NUM) | | | Y | | | | Y |
| NVARCHAR | | | Y | | Y | | |
| SMALLINT | | | Y | | Y | | |
| STRING UTF-8 | | Y | | | | | |
| TABLE | | Y | | | | | |
| TIME | | Y | Y | | Y | | |
| TIMESTAMP | | | Y | | Y | | |
| TINYINT | | | Y | | Y | | |
| VARCHAR | Y | Y | Y | Y | Y | Y | |

Additional data types are supported by the data connectors. These data types are first converted to data types that can be processed on the CAS server. Check the data connector documentation for your data source to ensure that a data type is supported.

Note: For more information, see “Data Connectors” in *SAS® Cloud Analytic Services: User’s Guide*.

1.2 Essentials of Supervised Prediction

Predictive Model



Training Data

| | inputs | target |
|---|--------|--------|
| 1 | blue | blue |
| 2 | blue | blue |
| 3 | blue | blue |
| 4 | blue | blue |
| 5 | blue | blue |

a concise representation of the input and target association

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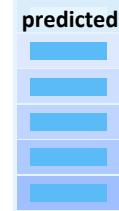
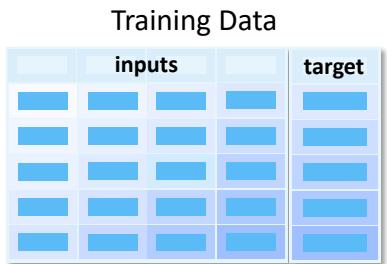


Predictive modeling (also known as *supervised prediction* or *supervised learning*) starts with a training data set. The observations in a training data set are known as *training cases* (also known as *examples*, *instances*, or *records*). The variables are called *inputs* (also known as *predictors*, *features*, *explanatory variables*, or *independent variables*) and *targets* (also known as a *response*, *outcome*, or *dependent variable*). For a given case, the inputs reflect your state of knowledge before measuring the target.

The measurement scale of the inputs and the target can be varied. The inputs and the target can be numeric variables, such as **income**. They can be nominal variables, such as **occupation**. They are often binary variables, such as a positive or negative response concerning home ownership.

The purpose of the training data is to generate a predictive model. The *predictive model* is a concise representation of the association between the inputs and the target variables.

Predictions



output of the
predictive model
given a set of input
measurements

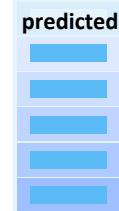
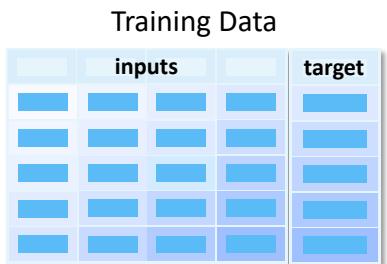
17

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The outputs of the predictive model are referred to as *predictions*. Predictions represent your best guess for the target given a set of input measurements. The predictions are based on the associations **learned** from the training data by the predictive model.

Prediction Types



- decisions
- rankings
- estimates

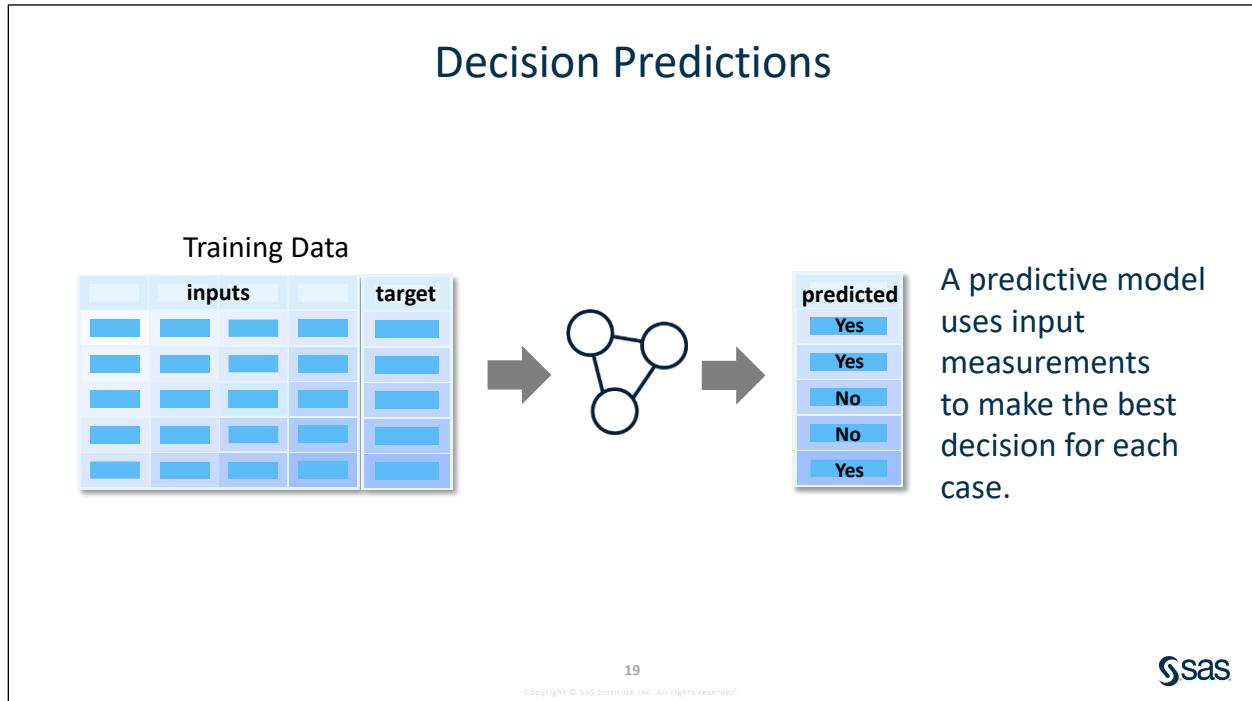
18

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The training data are used to construct a model (rule) that relates the inputs to the target. The predictions can be categorized into three distinct types:

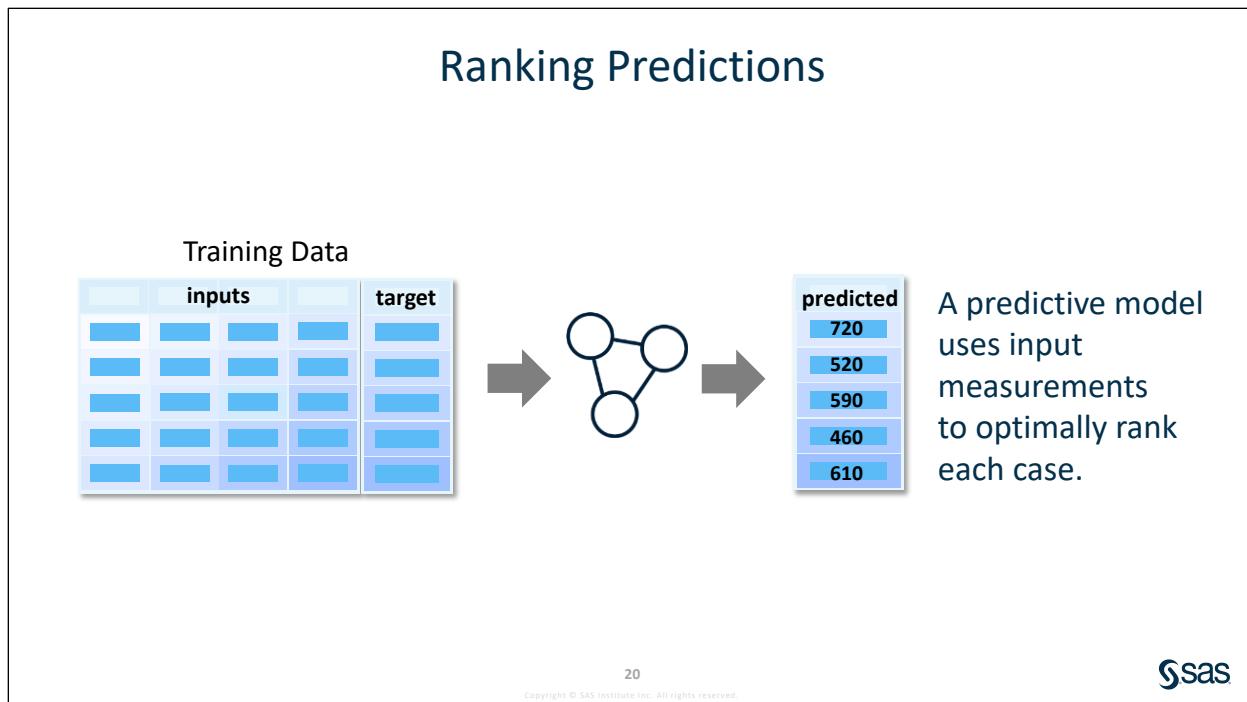
- decisions
- rankings
- estimates.



Decision predictions are the simplest type of prediction. Decisions usually are associated with some type of action (such as classifying a case as a churn or a no-churn). For this reason, decisions are also known as *classifications*. Decision prediction examples include handwriting recognition, fraud detection, and direct mail solicitation.

Decision predictions usually relate to a categorical target variable. For this reason, they are identified as primary, secondary, and tertiary in correspondence with the levels of the target.

Note: Model assessment in Model Studio generally assumes decision predictions when the target variable has a categorical measurement level (binary, nominal, or ordinal).



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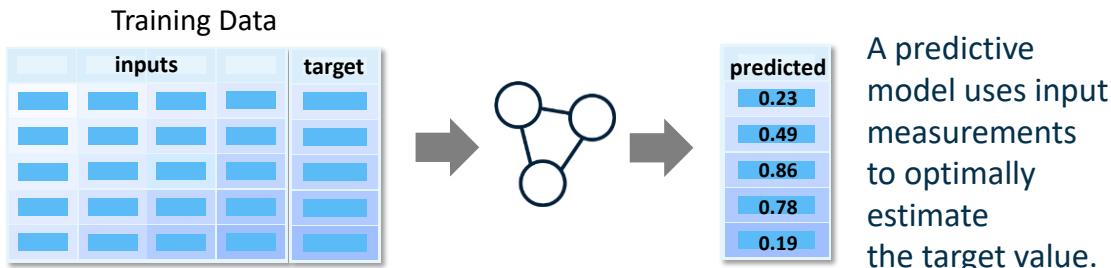
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Ranking predictions order cases based on the input variables' relationships with the target variable. Using the training data, the prediction model attempts to rank **high value** cases higher than **low value** cases. It is assumed that a similar pattern exists in the scoring data so that **high value** cases have high scores. The actual produced scores are inconsequential. Only the relative order is important. The most common example of a ranking prediction is a credit score.

Note: Ranking predictions can be transformed into decision predictions by taking the primary decision for cases above a certain threshold while making secondary and tertiary decisions for cases below the correspondingly lower thresholds. In credit scoring, cases with a credit score above 700 can be called good risks; those with a score between 600 and 700 can be intermediate risks; and those below 600 can be considered poor risks.

Estimate Predictions



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Estimate predictions approximate the expected value of the target, conditioned on the input values. For cases with numeric targets, this number can be thought of as the average value of the target for all cases having the observed input measurements. For cases with categorical targets, this number might equal the probability of a target outcome.

Prediction estimates are most commonly used when their values are integrated into a mathematical expression. An example is two-stage modeling, where the probability of an event is combined with an estimate of profit or loss to form an estimate of unconditional expected profit or loss. Prediction estimates are also useful when you are not certain of the ultimate application of the model.

Note: Estimate predictions can be transformed into both decision and ranking predictions. When in doubt, use this option. Most Model Studio modeling tools can be configured to produce estimate predictions.

Essential Data Tasks



- Divide the data.
- Address rare events.
- Manage missing values.
- Add unstructured data.
- Extract features.
- Handle extreme or unusual values.
- Select useful inputs.

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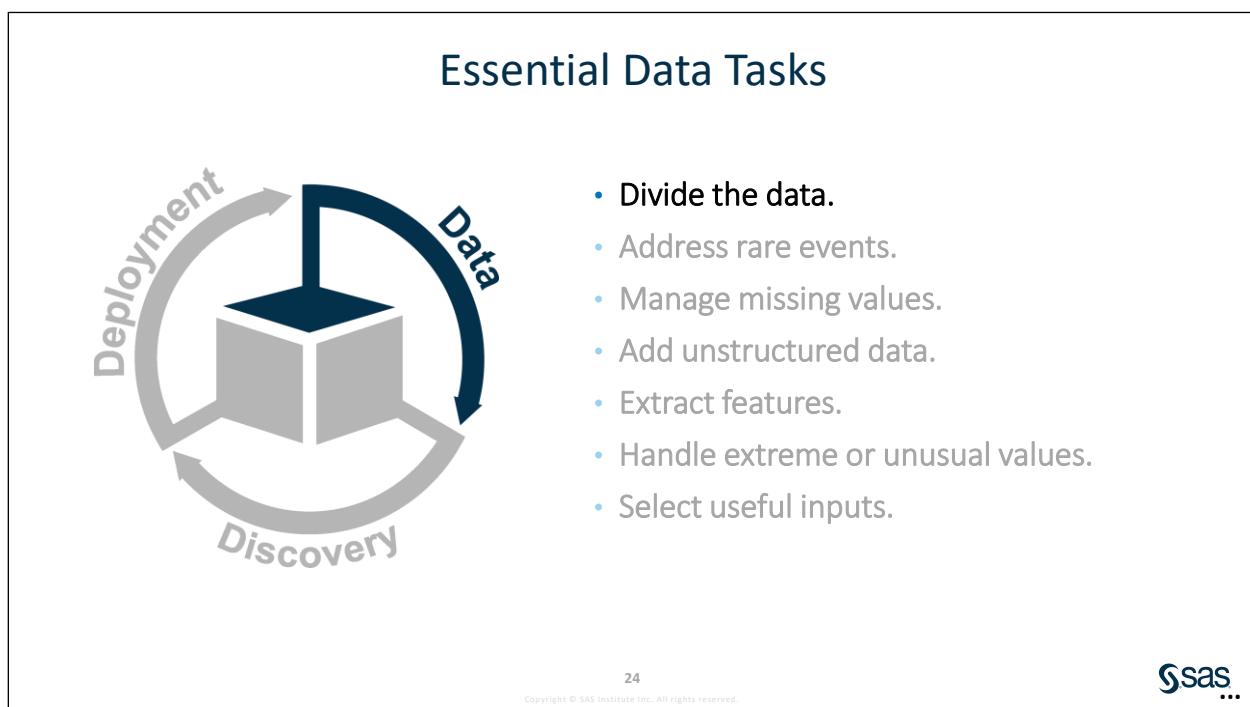
Effective machine learning models are built on a foundation of well-prepared data. It is commonly proclaimed that 80% of the time spent in devising a successful machine learning application is spent in data preparation (Dasu and Johnson 2003). Data preparation is not strictly about correctly transforming and cleaning existing data. It also includes a good understanding of the features that need to be considered and ensuring that the data at hand are appropriate in the first place. Shortcuts in data preparation will short change your models. As they say, “garbage in, garbage out.” Take the time to cultivate your data and be wary of the common challenges described next.

Although the predictive models would seem to be the final word in scoring a new case, especially with parametric models like regression and neural network, there are several additional issues that must be addressed.

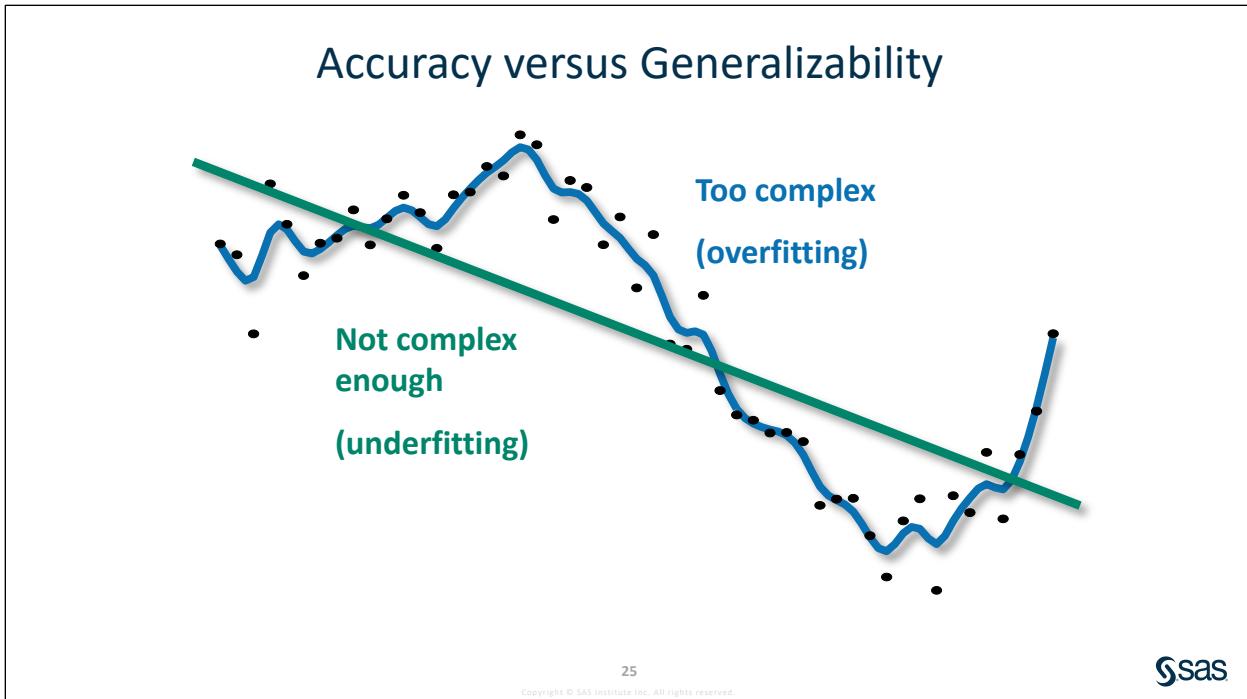
- **Divide the data:** What should be done for honest assessment of model performance in predictive modeling? How do you tune your model to improve its generalization? You might be tempted to simply avoid the standard strategy of *data splitting* in which a portion is used for fitting the model and the remaining data is separated for empirical validation.
- **Address rare events:** What should you do if the proportion of events (desired outcome) is very low? You might be drawn to make some treatment to make the model robust so that enough events would be used to train the model. Event-based sampling is one of the treatments to deal rare-event problem.
- **Manage missing values:** What should be done when one of the input values used in the prediction formula is missing? You might be tempted to simply treat the missing value as zero and skip the term involving the missing value. Although this approach can generate a prediction, this prediction is usually biased beyond reason.
- **Add unstructured data:** How should you deal with the overwhelming proliferation of textual data in business? While the amount of textual data is increasing rapidly, businesses' ability to summarize, understand, and make sense of such data for making better business decisions remain challenging.
- **Extract features:** How do you transform the existing features into a lower-dimensional space and generate new features that would be composites of the existing ones? What are techniques that you would use to reduce dimensionality through such a transformation?

- **Handle extreme or unusual values:** How do you score cases with unusual values? Many machine learning algorithms are unaffected by this. However, some are highly sensitive to the problem of outliers. For example, regression models make their best predictions for cases near the centers of the input distributions. If an input can have (on rare occasion) extreme or *outlying* values, the regression should respond appropriately.
- **Select useful inputs:** What would be the optimal set of inputs for your predictive model? Should you simply try every combination of inputs? Unfortunately, the number of models to consider using this approach increases exponentially in the number of available inputs. Such an exhaustive search is impractical for realistic prediction problems.

The above issues affect both model construction (the discovery phase) and model scoring (the deployment phase). The first of these, model complexity and event-based sampling, are dealt with immediately. The remaining issues are addressed subsequently in this lesson and the next one.



In typical machine learning tasks, data are divided into different sets (partitions): some data for training the model and some data for evaluating the model.



Fitting a model to data requires searching through the space of possible models. Constructing a model with good generalization requires choosing the right complexity. Selecting model complexity involves a trade-off between bias and variance. An insufficiently complex model might not be flexible enough, which can lead to *underfitting*—that is, systematically missing the signal (high bias).

A naïve modeler might assume that the most complex model should always outperform the others, but this is not the case. An overly complex model might be too flexible, which can lead to *overfitting*—that is, accommodating nuances of the random noise in the sample (high variance). A model with the right amount of flexibility gives the best generalization.

Partitioning the Input Data Set

The diagram illustrates the process of partitioning a dataset into three parts: Training Data, Validation Data, and Test Data (Optional). The Training Data is represented by a grid of 10 rows and 4 columns, labeled 'inputs' and 'target'. The Validation Data is shown as a grid of 5 rows and 4 columns, also labeled 'inputs' and 'target'. The Test Data is another grid of 5 rows and 4 columns, labeled 'inputs' and 'target'. A central text box states: "Partition available data into training, validation, and test sets." The SAS logo is in the bottom right corner.

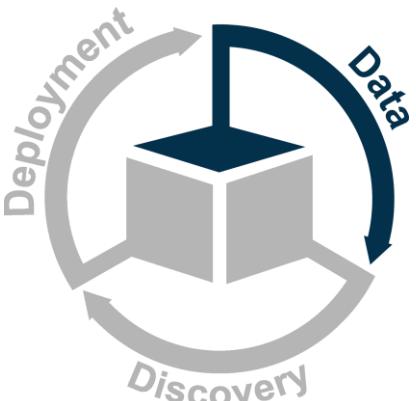
The data are split into at least two, but not more than three, non-overlapping groups. The first partition of the data, the *training set*, is used to build models.

Usually, for each modeling algorithm, a series of models is constructed, and the models increase in their complexity. The idea behind constructing a series of models is that some will be too simple (underfit) and others will be too complex (overfit). Each of the models is assessed for its performance on the second partition of the data, the *validation set*. In this way, the validation data is used to “optimize complexity” of the model and find the sweet spot between being underfit and being overfit. Validation data are used to fine tune the models built on training data and determine whether additional training is required.

The *test data set* is an optional partition for the model building process, but some industries might require it as a source of unbiased model performance. The test data give the honest unbiased estimates of the model. The test data set provides one final measure of how the model performs on new data, before the model is put into production. It assesses only the final model’s performance on unused data. However, it might also be used to select the best model by scoring the champion model based on the training data and the validation data. By default, Model Studio uses the validation data for selecting the champion model.

It is critical that all transformations that are used to prepare the training data are applied to any validation, test, or other holdout data. In other words, it is critical that information from test data or holdout data does not leak into the training data. Information leakage can occur in many ways and can potentially lead to overfitting or overly optimistic error measurements. For example, think of taking a mean or median across your data before partitioning and then later using this mean or median to impute missing values across all partitions of your data. In this case, your training data would be aware of information from your validation, test, or holdout partitions. To avoid this type of leakage, values for imputation and other basic transformations should be generated from only the training data or within each partition independently.

Essential Data Tasks



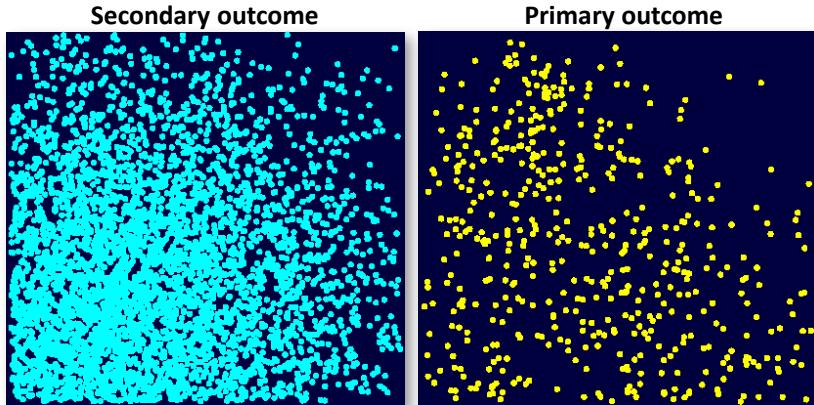
- Divide the data.
- Address rare events.
- Manage missing values.
- Add unstructured data.
- Extract features.
- Handle extreme or unusual values.
- Select useful inputs.

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It is also important to be mindful of your target of interest and understand whether it can be characterized as a rare event relative to your total number of samples. Applications such as detecting fraudulent activity must take special steps to ensure that the data used to train the model include a representative number of fraudulent samples in to capture the event sufficiently. (For example, 1 out of every 1,000 credit card transactions is fraudulent.) Fitting a model to such data without accounting for the extreme imbalance in the occurrence of the event gives you a model that is extremely accurate at telling you absolutely nothing of value. Special sampling methods that modify an imbalanced data set are commonly used to provide a more balanced distribution when modeling rare events (He and Garcia 2009).

Event-Based Sampling



Target-based samples are created by considering the primary outcome cases separately from the secondary outcome cases.

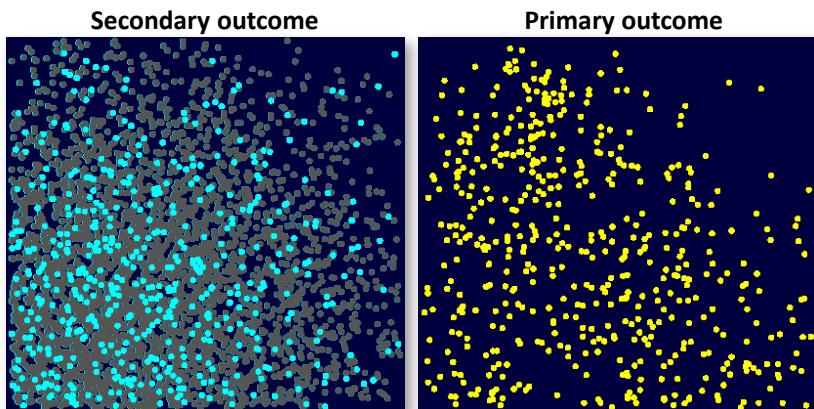
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A common predictive modeling practice is to build models from a sample with a primary outcome proportion different from the true population proportion. This is typically done when the ratio of primary to secondary outcome cases is small.

Event-Based Sampling



Select some cases.

Select all cases.

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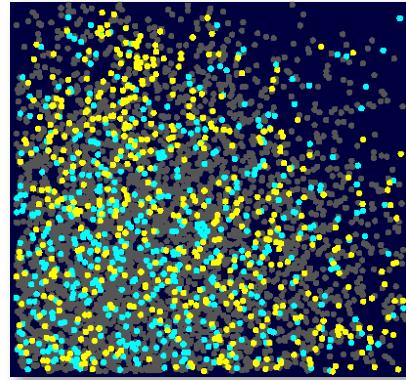
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Event-based sampling derives its name from the technique used to generate the modeling data. That is, samples are drawn separately based on the target events and non-events. In the case of a rare event, usually all events are selected. Then each event outcome is matched by one or (optimally) more non-event outcomes.

The Modeling Sample

- + Similar predictive power with smaller case count
- Must adjust assessment measures and graphics
- Must adjust prediction estimates for bias
- + Model Studio automatically adjusts for event-based sampling.



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The advantage of event-based sampling is that you can obtain (on the average) a model of similar predictive power with a smaller overall case count. This is in concordance with the idea that the amount of information in a data set with a categorical outcome is determined not by the total number of cases in the data set itself, but instead by the number of cases in the rarest outcome category. For binary target data sets, this is usually the event outcome (Harrell 2006).

This advantage might seem of minimal importance in the age of extremely fast computers. However, the model-fitting process occurs only after the completion of long, tedious, and error-prone data preprocessing. Smaller sample sizes for data preprocessing are usually welcome.

Although it reduces analysis time, event-based sampling also introduces some analysis complications:

- Most model fit statistics (especially those related to prediction decisions) and most of the assessment plots are closely tied to the outcome proportions in the training samples. If the outcome proportion in the training and validation samples do not match the outcome proportions in the scoring population, model performance can be greatly misestimated.
- If the outcome proportions in the training sample and scoring populations do not match, model prediction estimates are biased.

Note: Model Studio automatically adjusts assessment measures, assessment graphs, and prediction estimates for bias. After running the pipeline, which executes an automated sequence of steps to build models, you can examine the score code. The score code contains a section titled **Adjust Posterior Probabilities**. This code block modifies the posterior probability by multiplying it by the ratio of the actual probability to the event-based sampling values specified previously.



Modifying the Data Partition

In this demonstration, you modify metadata roles of some variables, explore the advanced project settings, and change the data partition properties.

1. Ensure that the **Demo** project is open and that the variable **churn** is not selected on the Data tab. Reopen the project if you have closed it and deselect **churn** if it is selected by clicking the check box next to the variable's name.

Note: Here is a caution about selecting variables! Because selecting a variable using the check box **does not** deselect other variables, it is easy for new users to inadvertently re-assign variable roles. Taking a few minutes to get comfortable with the variable selection functionality is considered a best practice for using the software. Here are some tips:

- Individual variables can be selected for role assignment by either clicking the variable name or by selecting their corresponding check box.
- Individual variables are deselected after their role is assigned by either clearing their check box or by selecting another variable's name.
- All variables can be selected or deselected by using the check box at the top of the Variable Name column.
- More than one variable can be selected at the same time using the check boxes or by holding down the Shift key while clicking to select a list of variables.

2. Modify the following properties of the specified variables:

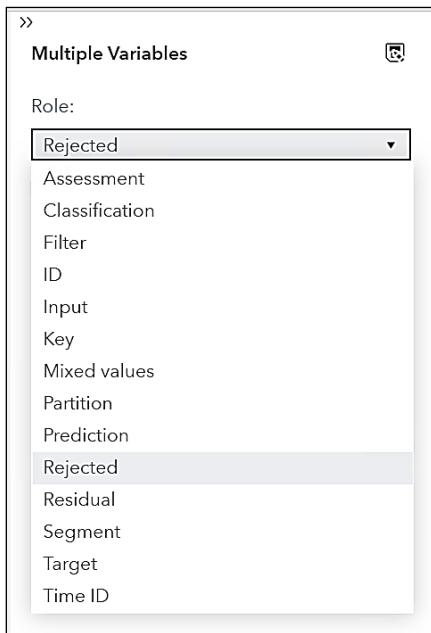
- a. To specify properties of a variable on the Data tab, first select the desired variable. (You can select the check boxes of several variables at the same time.)
- b. In the right pane, select the new role or level of the variables.

| Multiple Variables | |
|--------------------|--------------|
| Role: | Mixed values |
| Level: | Mixed values |
| Order: | |
| Transform: | |
| Impute: | |

Note: Variable metadata include the role and measurement level of the variable. Common variable roles are Input, Target, Rejected, Text, and ID, and their meaning is straightforward. Common variable measurement levels are Interval, Binary, Nominal, and Ordinal. See the appropriate drop-down menus in Model Studio for the full list of variable roles and measurement levels.

For the following 11 variables, change the role to **Rejected**:

- city
- city_lat
- city_long
- data_usage_amt
- mou_onnet_6m_normal
- mou_roam_6m_normal
- region_lat
- region_long
- state_lat
- state_long
- tweedie_adjusted

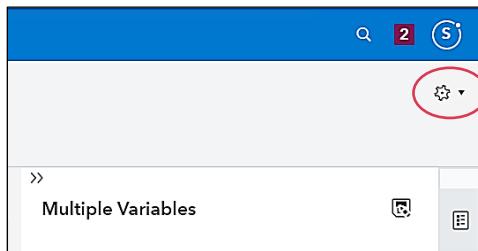


Below are the descriptions of some other variable roles:

| | |
|----------------|---|
| Assessment | Supports decision processing. Role is currently not used, available for future use. |
| Classification | Model classification for class target. For example, with CHURN as the target, it is the I_CHURN variable that has the 0/1 prediction based on predicted probabilities and cutoff used. Note that the classification cutoff is applied only to the binary target. |
| Filter | Used for filtering. The variable with this role will have entries filtered out when value=1 and entries kept when value=0. It is used by the Filtering node and the Anomaly Detection node. |
| Key | Observation identifier. This variable must be unique for all observations. This variable is used by the Text Mining node and in the generation of observation-based Model Interpretability reports. |

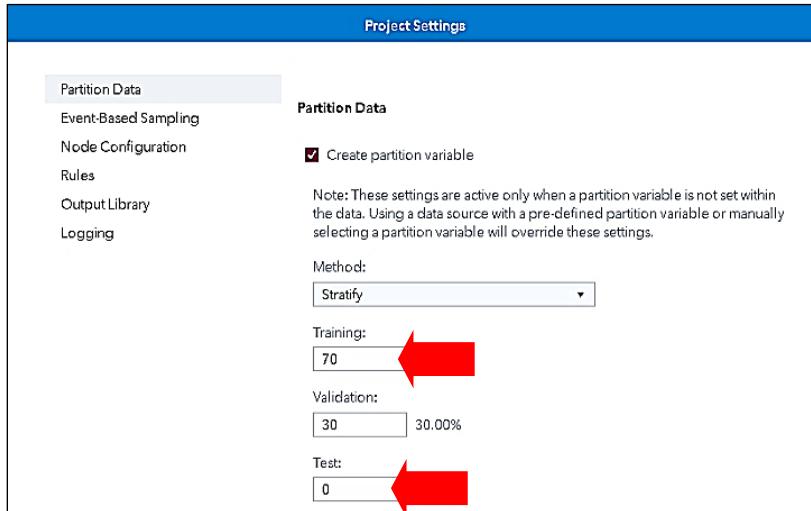
| | |
|-------------|--|
| Offset | Numeric variable. This variable is used by the GLM node. An offset variable is typically used for a covariate with “known” slope. The parameter for this variable is not estimated, and the variable is simply added to the model. |
| Prediction: | Model prediction variables—that is, the prediction for interval target or posterior probabilities for class target. It is used during model assessment. |
| Residual: | Error residual, used for informational purposes only. |
| Segment: | Segment variable. It is created by the Clustering node for cluster ID that is created. This variable is used when there is a Segment Profiler node or when segmentation modeling is supported. |
| Time ID: | Time variable, used for informational purposes only. |

3. Change the default partition by clicking  (Settings) in the upper right corner of the window.



Note: When you create a new project in Model Studio, by default, partitioning is performed. If you want to see or modify the partition settings before creating the project, you can do this from the user settings. In the user settings, the Partition tab enables you to specify the method for partitioning as well as associated percentages. Any settings at this level are global and are applied to any new project created.

4. Select **Project settings**. With **Partition Data** selected in the Project Settings window, change the Training percentage to **70** and the Test percentage to **0**.

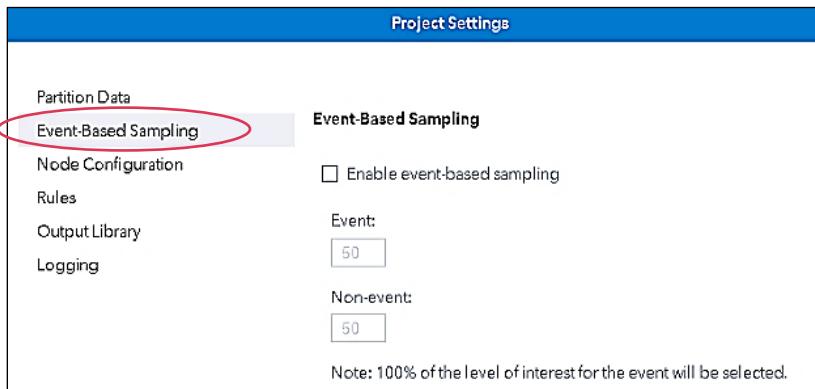


These settings can be edited only if no pipelines in the project have been run. After the first pipeline has been run, the partition tables are created for the project and partition settings cannot be changed.

Note: Recall that it was shown in the last demonstration that the Partition Data options could also be accessed and changed while the project is being created, under the Advanced settings.

Note: The partition will be stratified based on the target levels. This can be a little confusing because you can specify the partition when you create the project (before you specify a target), but the partition is not created until you run the Data node for the first time, so Model Studio still requires you to specify a target before it creates the partition. Thus, the partition can be stratified based on the target.

5. Select Event-Based Sampling.

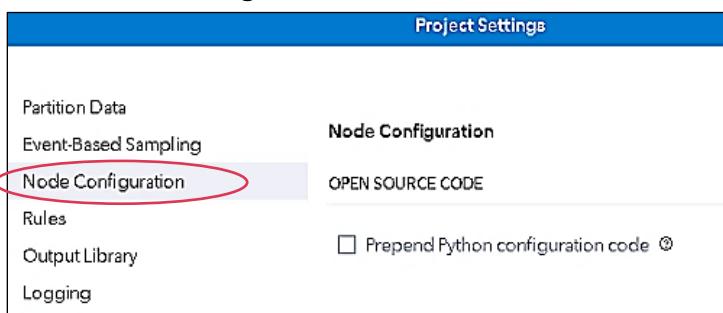


When event-based sampling is turned on (it is off by default), the desired proportion of event and non-event cases can be set after the sampling is done. When they are turned on, the default proportions for both events and non-events after sampling is 50% for each. The sum of both must be 100%. ***After a pipeline has been run in the project, the Event-Based Sampling settings cannot be changed.***

Note: Recall that it was shown in the last demonstration that the Event-Based Sampling options could also be accessed and changed while the project is being created, under the Advanced settings.

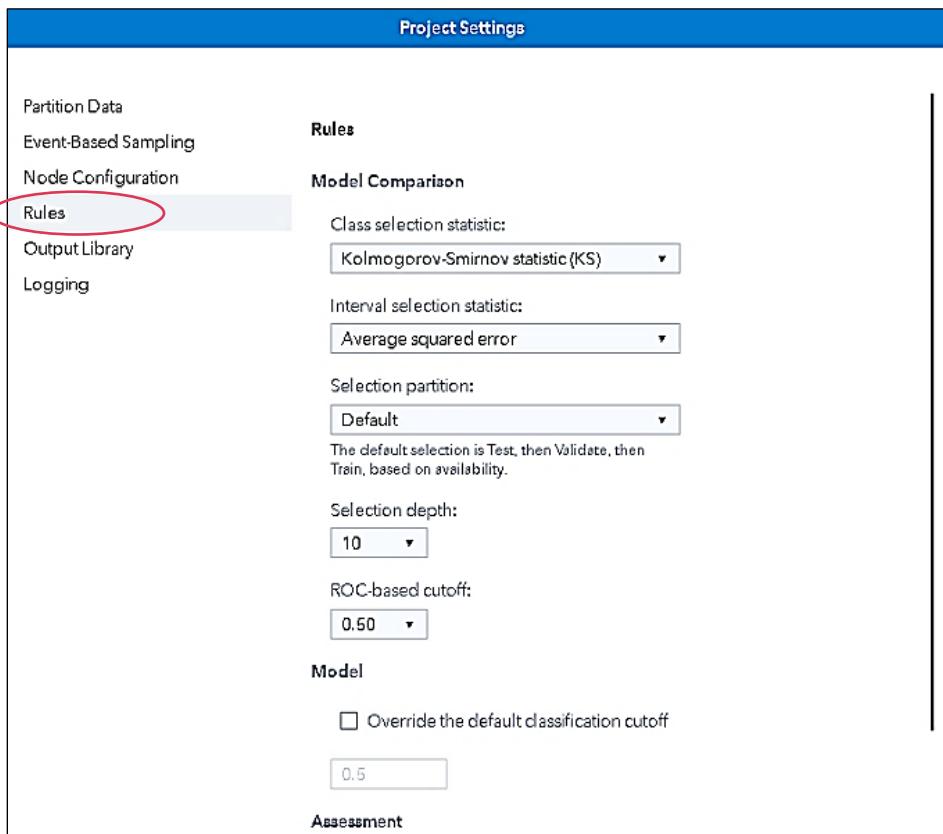
Keep the Event-Based Sampling options at their default settings.

6. Select Node Configuration.



The Node Configuration setting enables code to be prepended to user-written code when the Open Source Code node is used. When the check box is selected, a code editor appears. You can add open source code in the Python language to the editor. This code is automatically prepended to every Open Source Code node when the **Language** property is set to **Python**. You learn more about the Open Source Code node later in the course. Keep the check box deselected.

7. Select Rules.

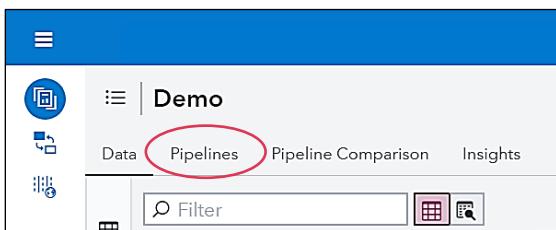


The Rules options can be used to change the selection statistic and partitioned data set that determine the champion model during model comparison. Statistics can be selected for class and interval targets.

Keep the Rules options at their default settings.

8. Be sure to click **Save** because the partition options were changed.

9. Until now, you worked on the Data tab. Click the **Pipelines** tab in the Demo project.

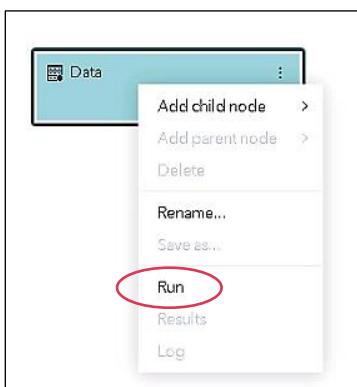


On the Pipelines tab, you can create, modify, and run pipelines. Each pipeline has a unique name and optional description.

Other tabs include the Pipeline Comparison tab and the Insights tab. The Insights tab contains summary reports about the project, champion models, and challenger models. No information is available on the Insights tab unless a pipeline containing a model node has successfully run.

The Pipeline Comparison tab and the Insight tab are discussed further in Lesson 6.

10. Right-click the **Data** node and select **Run**.

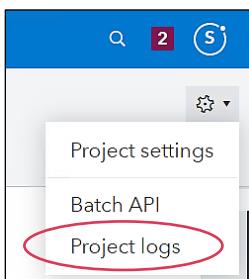


The green check mark in the node indicates that it ran without error. The partition is successfully created.

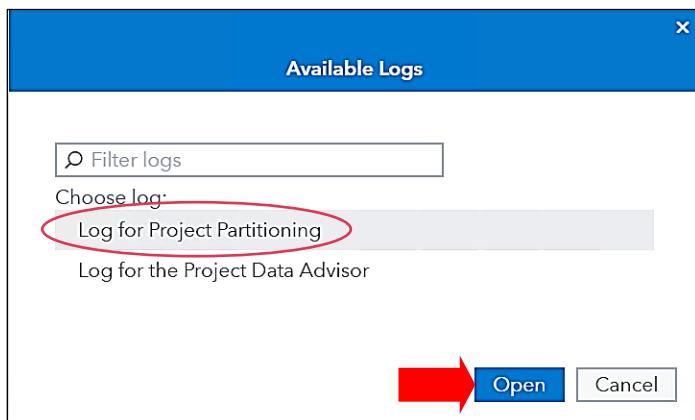


Note: After you run the Data node, you cannot change the partitioning, event-based sampling, project metadata, project properties, or the target variable. However, you can change variable metadata with the Manage Variables node.

11. The log file for this partitioning action can be viewed. Click **Settings**  in the upper right corner.
12. Select **Project logs**.



13. From the Available Logs window, select **Log for Project Partition** and then click **Open**.



The log file can be viewed and even downloaded.

The screenshot shows the 'Log for Project Partitioning' window. At the top is a blue header bar with the title 'Log for Project Partitioning'. Below it is a search bar labeled 'Find'. Underneath are three status indicators: 'Errors (0)', 'Warnings (0)', and 'Notes (580)'. A message 'There are no messages.' is displayed. The main area contains a large block of log code. At the bottom left is a link 'Download log'.

```

1 options nosource;
3 OPTIONS NOMPRINT NOSYMBOLGEN; %let dm_debug=; %let
3 ! dm_projectTableSaveContentType=application/vnd.sas.analytics.data.mining.project.table.save.request+json; %let
3 ! dm_projectTableAcceptType=application/vnd.sas.data.table+json; %let dm_useFirstNode=N; %let dm_userInCHAR=N; %let dm_rocbins=20
3 ! ; %let dm_projectTablesUri=/dataMining/projects/dbd7115e-3426-40d6-8a33-3d5fc6b9f3fb/dataSources/@defaultDataSource/tables;
3 ! %let dm_projectsSettingsUri=/dataMiningProjectSettings/settings/9e195762-2315-44f9-8309-e02940a5206e; %let
3 ! dm_projectSettingsMediaType=application/vnd.sas.analytics.data.mining.project.settings+json; %let
3 ! dm_projectCasLib=Analytics_Project_dbd7115e-3426-40d6-8a33-3d5fc6b9f3fb; %let
3 ! dm_projectsSourcesAcceptType=application/vnd.sas.collection+json; %let dm_projectId=dbd7115e-3426-40d6-8a33-3d5fc6b9f3fb; %let
3 ! dm_locale=en; %let dm_jobAcceptType=application/vnd.sas.job.execution.job+json; %let dm_dsCasLib=Public; %let
3 ! casHost=server.demo.sas.com; %let casSessionId=5c5898af-7c6c-1747-b326-2f67ad3fdaf1; %let dm_maxJobPollingAttempts=600; %let
3 ! dm_projectsSourcesUri=/dataMining/projects/dbd7115e-3426-40d6-8a33-3d5fc6b9f3fb/dataSources/@defaultDataSource/sources; %let
3 ! casPort=5570; %dmcas; %let dm_oversampling=N;

NOTE: DATA statement used (Total process time):
      real time          0.00 seconds
      cpu time           0.00 seconds

```

[Download log](#)

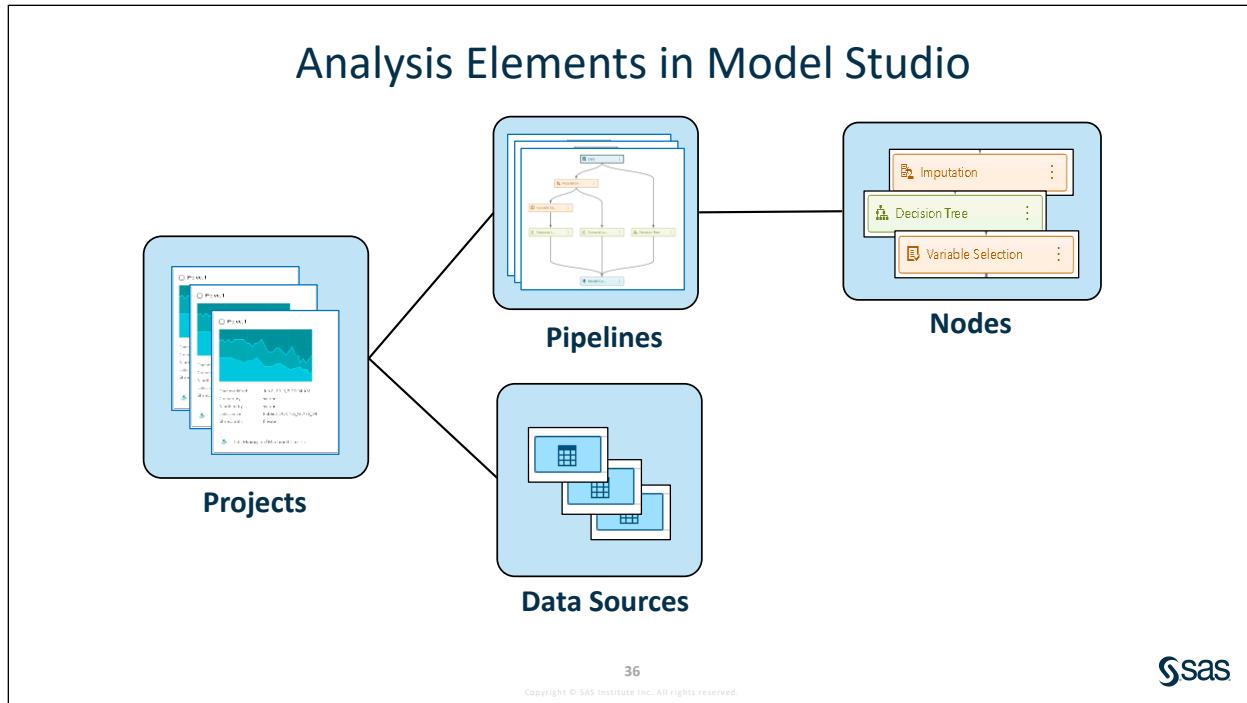
14. Click **Close** ⇒ **Cancel** to return to the pipeline.

End of Demonstration

1.01 Multiple Answer Question

After you create your new project, Model Studio takes you to the Data tab. What all you can do in the Data tab? (Select all that apply.)

- a. Modify variable roles and measurement levels
- b. Manage global metadata
- c. Modify variable names and labels
- d. Manage columns to display in the Variables table



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A project is a top-level container for your analytic work in Model Studio. A Model Studio project contains the data source, the pipelines that you create, and related project metadata (such as project type, project creator, share list, and last update history). If you create more than one pipeline in your project, analytic results that compare the performance of multiple pipelines are also stored in the project.

You can add nodes to the pipeline to create your modeling process flow. You can save results from SAS Visual Data Mining and Machine Learning nodes by inserting a SAS Code node after the node (and sometimes a Manage Variable node before the SAS Code Node). This enables you to write some specific DATA step or other Base SAS or CASL statements to save your desired outputs and data sets to a permanent library for further use.

If you want to capture the data being exported out of a node, you can simply attach a Save Data node anywhere on your pipeline and specify details of the table that you want to save. In addition, there is an output tab in the results of nodes that enables you to view the scored output table. From here, you can specify a sample if desired, as well as request to save the table. You can also save data other than the scored output tables. Further, you can download and save data from the tables and plots shown in the results of nodes. This is done by clicking the **Download Data** shortcut button in the upper right corner, which appears right next to the **Expand** shortcut button.

| /opt/sas/viya/config/data/cas/default/projects | | | | |
|---|------|-----------------------|-----------|-------|
| Name | Size | Changed | Rights | Owner |
| datamining-4900f4b7-b4c2-4b45-b3ef-29b855c8024c | | 1/7/2020 6:57:26 PM | rwxr-xr-x | cas |
| datamining-dbd7115e-3426-40d6-8a33-3d5fc6b9f3fb | | 1/21/2020 12:28:47 AM | rwxr-xr-x | cas |
| | | 1/30/2020 3:58:14 AM | rwxr-xr-x | cas |

You can view the list of projects (like above) by navigating to the location where it has been saved. Shown above is the path for a Linux OS using WinSCP (a File Transfer Protocol application on your client machine). Generally, the path is `/opt/sas/viya/config/data/cas/default/projects/`. You might have a different path if it is a Windows installation.

Pipelines

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- Pipelines are structured flows of analytic actions.
- Pipelines contain the nodes that process data and create models.
- Custom pipelines can be saved to ***the Exchange*** for others to use.

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In Model Studio, you can create analytic process flow in the form of a pipeline. After creating a new pipeline, you can create visual data mining functionality by adding nodes to the pipeline. Nodes can be added separately, or, to save time, templates can add several nodes at once. To create a pipeline from a template, specify the template in the New Pipeline window. You can add nodes to a pipeline in two ways:

1. dragging and dropping from an expanded Nodes pane
2. right-clicking and selecting either **Add child node** or **Add parent node**

Pipelines are grouped together in a top-level container (that is, in a project that also includes the data set that you want to model and a pipeline comparison tool). A project can contain multiple pipelines. You can create a new pipeline and modify an existing pipeline.

Pipelines can be saved to the Exchange where they become accessible to other users. All available nodes, along with descriptions, and all available pipeline templates, including prebuilt and user created, can be found [here](#).

Automated Pipeline Creation

The bar consists of seven circular icons with white backgrounds and black outlines. From left to right, the icons represent:

- Explore Data:** A bar chart with a question mark.
- Explore Correlation:** A line graph showing an upward trend.
- Analyze Missing:** A grid of squares with a red corner.
- Screen Variables:** A funnel shape.
- Feature Machine:** A computer monitor with two gears inside.
- Select Features:** A checkmark inside a circle.
- DS Auto ML:** A brain with gears inside.

Explore Data **Explore Correlation** **Analyze Missing** **Screen Variables** **Feature Machine** **Select Features** **DS Auto ML**

- Automated machine learning dynamically builds a pipeline that is based on your data.
- Automatically performs data preparation, model building, model comparison, and model selection on your data to create a pipeline.
- Autotune multiple models in parallel over multiple rounds reallocating weight to better performing models and updating hyperparameter search regions using Bayesian optimization.

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SAS Visual Data Mining and Machine Learning provides an intelligent process to automate many of the manual and complex steps required for data transformations and to build machine learning models. SAS automates the analytics life cycle – from data preparation to feature engineering and algorithm selection.

The software will dynamically produce a visual pipeline to eliminate the black box that can accompany automation. And through natural language generation, results are presented in easily understood business terms. Once a model is finalized, it can be deployed with a single click. This option is disabled if the target variable has not been set or if the project data advisor has not completed running.

For more details, see “Automated Machine Learning Pipelines”:

<https://blogs.sas.com/content/subconsciousmusings/2019/11/21/automated-machine-learning-pipelines/>

Pipeline Templates

- Pre-populated pipeline templates are available for speedy model building.
- Three levels of pipeline templates (basic, intermediate, and advanced) are available for both class and interval targets.
- The advanced pipeline template is available with autotuning functionality.
- Each increasing level of pipeline template adds more data preprocessing and models.
- Regression (Linear/Logistic) is part of all the three pipeline template levels.

Note: You will build a basic pipeline, which consists of regression and imputation.

Model Studio supports templates as a method for creating statistical models quickly. A template is a special type of pipeline that is pre-populated with configurations that can be used to create a model. A template might consist of multiple nodes or a single node. Model Studio includes a set of templates that represent frequent use cases, but you can also create models themselves and save them as templates in the Exchange.

There are three levels of templates available, both for a class target as well as for an interval target. An intermediate template for class target was shown on the previous slide. You can create a new template from an existing pipeline, create a new template in the Exchange, and modify an existing template.

The advanced templates are also available with *autotuning* functionality. A large portion of the model-building process is taken up by experiments to identify the optimal set of parameters for the model algorithm. As algorithms get more complex (neural networks to deep neural networks, decision trees to forests and gradient boosting), the amount of time required to identify these parameters grows. There are several ways to support you in this cumbersome work of tuning machine learning model parameters. These approaches are called *hyperparameter optimization* and are discussed later in the course.

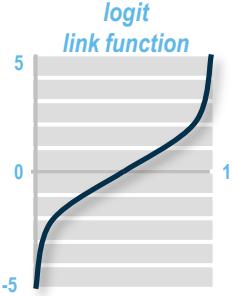
The following pipeline templates are included with Model Studio:

| Pipeline Template Name | Pipeline Template Description |
|--|--|
| Blank template | A data mining pipeline that contains only a Data node |
| Basic template for class target | A simple linear flow: Data, Imputation, Logistic Regression, Model Comparison |
| Basic template for interval target | A simple linear flow: Data, Imputation, Linear Regression, Model Comparison |
| Intermediate template for class target | Extends the basic template with a stepwise logistic regression model and a decision tree |

| Pipeline Template Name | Pipeline Template Description |
|---|---|
| Intermediate template for interval target | Extends the basic template with a stepwise linear regression model and a decision tree |
| Advanced template for class target | Extends the intermediate template for class target with neural network, forest, and gradient boosting models, as well as an ensemble |
| Advanced template for class target with autotuning | Advanced template for class target with autotuned tree, forest, neural network, and gradient boosting models |
| Advanced template for interval target | Extends the intermediate template for interval target with neural network, forest, and gradient boosting models, as well as an ensemble |
| Advanced template for interval target with autotuning | Advanced template for interval target with autotuned tree, forest, neural network, and gradient boosting models |
| Feature engineering template | Template to perform automated feature engineering |

Logistic Regression

$$\log\left(\frac{\hat{p}}{1 - \hat{p}}\right) = \hat{\beta}_0 + \hat{\beta}_1 \cdot x_1 + \hat{\beta}_2 \cdot x_2 \quad \text{logit scores}$$



logit link function

The logit link function transforms probabilities (between 0 and 1) to logit scores (between $-\infty$ and $+\infty$).

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In logistic regression, the expected value of the target is transformed by a link function to restrict its value to the unit interval. In this way, model predictions can be viewed as primary outcome probabilities. A linear combination of the inputs generates a *logit score*, the log of the odds of primary outcome, in contrast to the linear regression's direct prediction of the target.

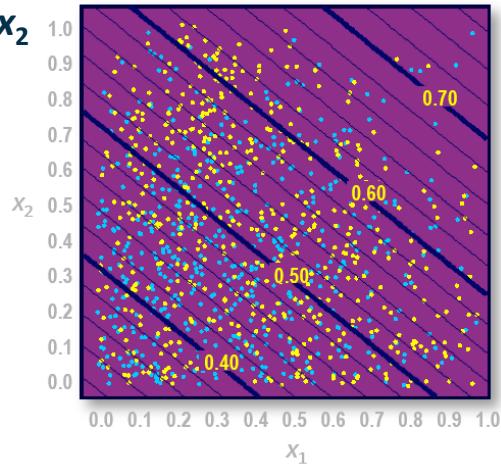
For binary prediction, any monotonic function that maps the unit interval to the real number line can be considered as a link. The logit link function is one of the most common. Its popularity is due, in part, to the interpretability of the model.

Logistic Regression Example

$$\text{logit}(\hat{p}) = -0.81 + 0.92 \cdot x_1 + 1.11 \cdot x_2$$

$$\hat{p} = \frac{1}{1 + e^{-\text{logit}(\hat{p})}}$$

Using the maximum likelihood estimates, the prediction formula assigns a logit score to each x_1 and x_2 .



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The presence of the logit link function complicates parameter estimation. Parameter estimates are obtained by maximum likelihood estimation. The likelihood function is the joint probability density of the data treated as a function of the parameters.

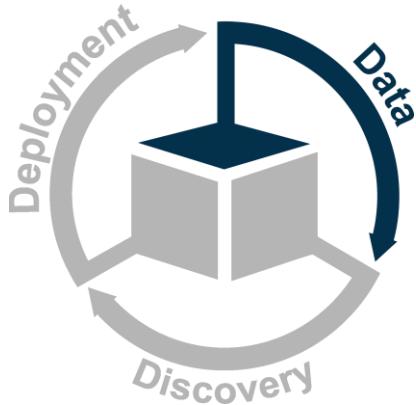
$$\sum \log(\hat{p}_i) + \sum \log(1 - \hat{p}_i)$$

The former quantity represents the primary outcome training cases, and the latter one represents the secondary outcome training cases, in the above expression.

The maximum likelihood estimates are the values of the parameters that maximize the probability of obtaining the training sample. These estimates can be used in the logit and logistic equations to obtain predictions. The plot on the right shows the prediction estimates from the logistic equation. One of the attractions of a standard logistic regression model is the simplicity of its predictions. The contours are simple straight lines commonly known as the *isoprobability lines*. (In higher dimensions, they would be hyperplanes.)

The predictions can be decisions, rankings, or estimates. The logit equation produces a ranking or logit score. To get a decision, you need a threshold. The easiest way to get a meaningful threshold is to convert the prediction ranking to a prediction estimate. You can obtain a prediction estimate using a straightforward transformation of the logit score, the logistic function. The *logistic function* is simply the inverse of the logit function. You can obtain the logistic function by solving the logit equation for p .

Essential Data Tasks



- Divide the data.
- Address rare events.
- **Manage missing values.**
- Add unstructured data.
- Extract features.
- Handle extreme or unusual values.
- Select useful inputs.

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Missing values can be theoretically and practically problematic for many machine learning tasks, especially when missing values are present in the target variable. This section addresses only the more common scenario of missing values in input variables.

Missing Values: Problem 1

Training Data

| | inputs | | | | | | target |
|--|--------|---|---|---|---|---|--------|
| | ■ | ■ | ■ | ■ | ■ | ■ | ■ |
| | ■ | ■ | ■ | ■ | ■ | ■ | ■ |
| | ■ | ■ | ■ | ■ | ■ | ■ | ■ |
| | ■ | ■ | ■ | ■ | ■ | ■ | ■ |
| | ■ | ■ | ■ | ■ | ■ | ■ | ■ |
| | ■ | ■ | ■ | ■ | ■ | ■ | ■ |
| | ■ | ■ | ■ | ■ | ■ | ■ | ■ |

Problem: Complete case analysis means that training data cases with missing values on inputs are ignored.

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The issue of missing values in data is (nearly) always present and always a concern. When faced with missing values in input variables, you must consider whether missing values are distributed randomly or whether missingness is somehow predictive of the target. If missing values appear at random in the input data, the input rows that contain missing values can be dropped from the analysis without introducing bias into the model. However, such a *complete case analysis* can remove a tremendous amount of information from the training data and reduce the predictive accuracy of the model. Many modeling algorithms in SAS Visual Data Mining and Machine Learning operate under complete case analysis (for example, linear and logistic regression, neural networks and support vector machines).

Complete case analysis assumes that data are missing completely at random and so does the Mean imputation. Imputation can be a more complicated issue, when missingness is nonrandom, dependent on inputs, or canonical. In this course, we use a simple approach that is often useful, but you should be aware that it is not always the best thing to do.

Missing values affect both model construction and model deployment.

Missing Values: Problem 1

| Training Data | | | | | | |
|---------------|--|--|--------|--|--|--------|
| | | | inputs | | | target |
| | | | | | | |

Consequence: Missing values can significantly reduce your amount of training data for regression modeling.

Even a smattering of missing values can cause an enormous loss of data in high dimensions. For example, suppose that each of the k input variables is missing at random with probability α . In this situation, the expected proportion of complete cases is $(1-\alpha)^k$.

Therefore, a 1% probability of missing ($\alpha=.01$) for 100 inputs retains only 37% of the data for analysis, 200 keeps 13%, and 400 preserves 2%. If the “missingness” were increased to 5% ($\alpha=.05$), then less than 1% of the data would be available with 100 inputs.

Missing Values: Problem 2

$$\text{logit}(\hat{p}) = -0.81 + 0.92 \cdot x_1 + 1.11 \cdot x_2$$

Predict: $(x_1, x_2) = (0.3, ?)$

Problem: What if the scoring data also have missing values?

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The second missing value problem relates to model deployment or using the prediction formula. How would a model built on the complete cases score a new case if it had a missing value? If there is missingness in your training data, it is very likely that your scoring data or the new data would also have, ideally, a similar type of missingness, but in limited amount.

Missing Values: Problem 2

$$\text{logit}(\hat{p}) = -0.81 + 0.92 \cdot x_1 + 1.11 \cdot ?$$

Predict: $(x_1, x_2) = (0.3, ?)$

$$\text{logit}(p) = ?$$

Consequence: Prediction formulas cannot score cases with missing values.

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A remedy is needed for the two problems of missing values. The appropriate remedy depends on the reason for the missing values.

Managing Missing Values

- Naïve Bayes
- Decision trees
- Missing indicators
- Imputation
- Binning
- Scoring missing data

Missingness can be predictive. Retaining information that is associated with missing values, including the missing values themselves, can increase the predictive accuracy of a model. The following list describes practices for accounting for missingness in training a machine learning model and describes how missing values must also be handled when scoring new data.

Naïve Bayes: Naïve Bayes models elegantly handle missing values for training and scoring by computing the likelihood based on the observed features. Because of conditional independence between the features, naïve Bayes ignores a feature only when its value is missing. Thus, you do not need to handle missing values before fitting a naïve Bayes model unless you believe that the missingness is not at random. For efficiency reasons, some implementations of naïve Bayes remove entire rows from the training process whenever a missing value is encountered. When missing is treated as a categorical level, infrequent missing values in new data can be problematic when they are not present in training data, because the missing level will have had no probability associated with it during training. You can solve this problem by ignoring the offending feature in the likelihood computation when scoring.

Decision trees: In general, imputation, missing markers, binning, and special scoring considerations are not required for missing values when you use a decision tree. Decision trees allow for the elegant and direct use of missing values in two common ways.

- When a splitting rule is determined, missing can be a valid input value, and missing values can either be placed on the side of the splitting rule that makes the best training prediction or be assigned to a separate branch in a split.
- Surrogate rules can be defined to allow the tree to split on a surrogate variable when a missing value is encountered. For example, a surrogate rule could be defined that allows a decision tree to split on the state variable when the ZIP code variable is missing.

Missing markers: Missing markers are binary variables that record whether the value of another variable is missing. They are used to preserve information about missingness so that missingness can be modeled. Missing markers can be used in a model to replace the original corresponding variable with missing values, or they can be used in a model alongside an imputed version of the original variable.

Imputation: Imputation refers to replacing a missing value with information that is derived from nonmissing values in the training data. Simple imputation schemes include replacing a missing value in an input variable with the mean or mode of that variable's nonmissing values. For nonnormally distributed variables or variables that have a high proportion of missing values, simple mean or mode imputation can drastically alter a variable's distribution and negatively impact predictive accuracy. Even when variables are normally distributed and contain a low proportion of missing values, creating missing markers and using them in the model alongside the new, imputed variables is a suggested practice. Decision trees can also be used to derive imputed values. A decision tree can be trained using a variable that has missing values as its target and all the other variables in the data set as inputs. In this way, the decision tree can learn plausible replacement values for the missing values in the temporary target variable. This approach requires one decision tree for every input variable that has missing values, so it can become computationally expensive for large, dirty training sets. More sophisticated imputation approaches, including multiple imputation (MI), should be considered for small data sets (Rubin 1987).

Binning: Interval input variables that have missing values can be discretized into many bins according to their original numeric values to create new categorical, nominal variables. Missing values in the original variable can simply be added to an additional bin in the new variable. Categorical input variables that have missing values can be assigned to new categorical nominal variables that have the same categorical levels as the corresponding original variables plus one new level for missing values. Because binning introduces additional nonlinearity into a predictive model and can be less damaging to an input variable's original distribution than imputation, binning is generally considered acceptable, if not beneficial, until the binning process begins to contribute to overfitting. However, you might not want to use binning if the ordering of the values in an input variable is important, because the ordering information is changed or erased by introducing a missing bin into the otherwise ordered values.

Scoring missing data: If a decision tree or decision tree ensemble is used in training, missing values in new data will probably be scored automatically according to the splitting rules or the surrogate rules of the trained tree (or trees). If another type of algorithm was trained, then missing values in new data must be processed in the exact way that they were processed in the training data before the model was trained.

Source: *Best Practices for Machine Learning Applications* (Wujek, Hall, and Güneş 2016)
SAS Institute Inc.

Managing Missing Values

- Naïve Bayes
- Decision trees
- Missing indicators
- **Imputation**
- Binning
- Scoring missing data

Interval Inputs

- Cluster Mean
- Constant Value
- Distribution
- Maximum
- Mean
- Median
- Midrange
- Minimum

Class Inputs

- Cluster Count
- Constant Value
- Count
- Distribution

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A remedy is needed for the two problems of missing values. The appropriate remedy depends on the reason for the missing values. In this course, you focus on imputing missing values.

In Model Studio, you can use a one-size-fits-all approach to handle missing values. In any case with a missing input measurement, the missing value is replaced with a fixed value. The net effect is to modify an input's distribution to include a point mass at the selected fixed number. The location of the point mass in synthetic distribution methods is not arbitrary. Ideally, it should be chosen to have minimal impact on the magnitude of an input's association with the target. With many modeling methods, this can be achieved by locating the point mass at the input's mean value.

Model Studio supports the following imputation methods for interval inputs:

- **Cluster Mean** specifies that missing values are replaced with the arithmetic average of the observation's cluster. In order to use this method of imputation, you must have a Clustering node in the pipeline immediately preceding the Imputation node.
- **Constant Value** specifies that missing values are replaced with the value that is specified in the **Constant number value** field. The default value is 0.
- **Distribution** specifies that missing values be replaced with randomly assigned values from an empirical distribution of the nonmissing values of the variable. As a result, the Distribution imputation typically does not significantly change the distribution of the data.
- **Maximum** specifies that missing values are replaced with the maximum value for the variable found in training.
- **Mean** specifies that missing values are replaced with the arithmetic average.
- **Median** specifies that missing values are replaced with the midpoint of a frequency distribution of the observed values.
- **Midrange** specifies that missing values are replaced with the maximum value plus the minimum value divided by 2.
- **Minimum** specifies that missing values are replaced with the minimum value for the variable found in training.
- **None** specifies that only the imputations specified in the Data pane are performed.

The default value is **Mean**.

Model Studio supports the following imputation methods for class inputs:

- **Cluster Count** specifies that missing values are replaced with the variable's most frequent nonmissing value in the observation's cluster. In order to use this method of imputation, you must have a Clustering node in the pipeline immediately preceding the Imputation node.
- **Constant Value** specifies that missing values are replaced with a character specified in the Constant character value field.
- **Count** specifies that missing values are replaced with the variable's most frequent value. There are no other configurations to set.
- **Distribution** specifies that missing values are replaced with randomly assigned values from an empirical distribution of the nonmissing values of the variable. As a result, the Distribution imputation typically does not significantly change the distribution of the data. The initial seed value for randomization is specified in the **Distribution method random seed** field. The default value is 12345.
- **None** specifies that only the imputations specified in the Data pane are performed.

The default value is **Count**.

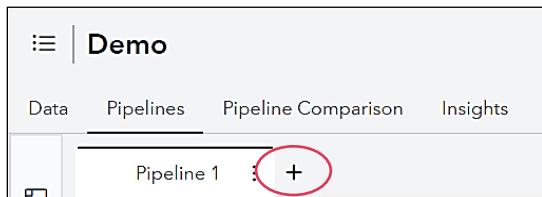
Note: The default method specifies the default transformation method for all class/interval input variables. Any transformation specified in the metadata takes precedence over the method specified here.



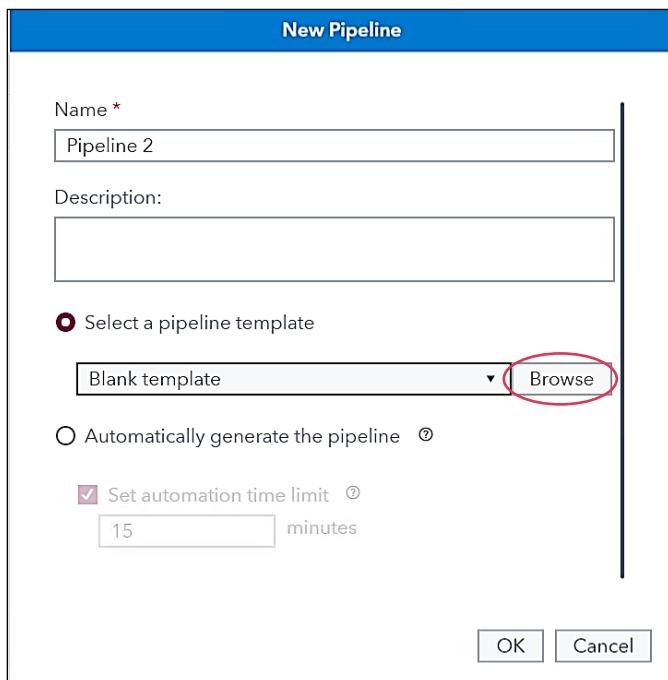
Building a Pipeline from a Basic Template

Although it is nice to be able to build up your own pipelines from scratch, it is often convenient to start from a template that represents best practices in building predictive models. The application comes with a nice set of templates available for creating new pipelines. In this demonstration, to start simple, you build a new pipeline from a basic template for class target.

1. Click next to the current pipeline tab in the upper left corner of the canvas.



2. In the New Pipeline window, click **Browse** under the **Select a pipeline template**.



This enables you to choose one of the pre-populated pipelines already configured to create a model. Otherwise, you can select **Automatically generate the pipeline**, which uses automated machine learning to dynamically build a pipeline that is based on your data. This option is disabled if the target variable has not been set or if the project data advisor has not completed running.

3. In the Browse Templates window, select **Basic template for class target**. Click **OK**.

| Template Name | Description | Owner | Last Modified |
|---|--|--------------|-------------------------|
| Advanced template for class target | Data mining pipeline that extends the intermediate template for a class target by adding neural network, forest, and gradient boosting models. An ensemble model is also provided. | SAS Pipeline | Jan 7, 2020, 6:41:47 PM |
| Advanced template for class target with autotuning | Data mining pipeline for a class target that contains autotuned tree, forest, neural network, and gradient boosting models. | SAS Pipeline | Jan 7, 2020, 6:41:39 PM |
| Advanced template for interval target | Data mining pipeline that extends the intermediate template for an interval target by adding neural network, forest, and gradient boosting models. An ensemble model is also provided. | SAS Pipeline | Jan 7, 2020, 6:41:55 PM |
| Advanced template for interval target with autotuning | Data mining pipeline for an interval target that contains autotuned tree, forest, neural network, and gradient boosting models. | SAS Pipeline | Jan 7, 2020, 6:41:51 PM |
| Basic template for class target | Data mining pipeline that contains a Data, Imputation, Logistic Regression, and Model Comparison node connected in a linear flow. | SAS Pipeline | Jan 7, 2020, 6:41:58 PM |
| Basic template for interval target | Data mining pipeline that contains a Data, Imputation, Linear Regression, and Model Comparison node connected in a linear flow. | SAS Pipeline | Jan 7, 2020, 6:41:59 PM |
| Blank template | Data mining pipeline that contains only a data node. | SAS Pipeline | Jan 7, 2020, 6:41:59 PM |
| Feature engineering template | Data mining pipeline that performs feature engineering. | SAS Pipeline | Jan 7, 2020, 6:41:57 PM |
| Intermediate template for class target | Data mining pipeline that extends the basic template for a class target by adding a stepwise logistic regression model and a decision tree. | SAS Pipeline | Jan 7, 2020, 6:42:01 PM |
| Intermediate template for interval target | Data mining pipeline that extends the basic template for an interval target by adding a stepwise linear regression model and a decision tree. | SAS Pipeline | Jan 7, 2020, 6:42:03 PM |

4. In the New Pipeline window, name the pipeline **Starter Template**.

New Pipeline

Name *

Description:

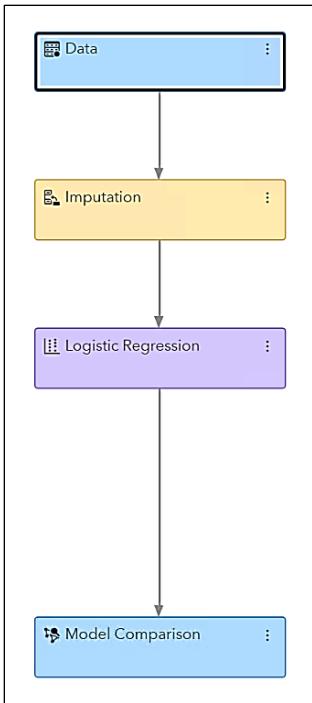
Select a pipeline template

Basic template for class target

Automatically generate the pipeline

Set automation time limit minutes
15 minutes

5. Click **OK**.



The **basic template for class target** is a simple linear flow and includes the following nodes: Data, Imputation, Logistic Regression, and Model Comparison. You can add nodes by right-clicking the existing nodes (or dragging and dropping from the Nodes pane.)

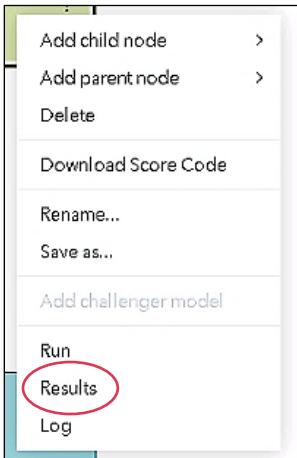
Different colors of nodes represent their respective groups in the Model Studio.

Note: Because a predicted response might be different for cases with a missing input value, a binary imputation indicator variable is often added to the training data. Adding this variable enables a model to adjust its predictions in the situation where “missingness” itself is correlated with the target.

6. Click **Run Pipeline** in the upper right corner.



7. After the pipeline has successfully run, right-click the **Logistic Regression** node and select **Results**.



The Results window contains two important tabs at the top: one for Node results and one for Assessment results.

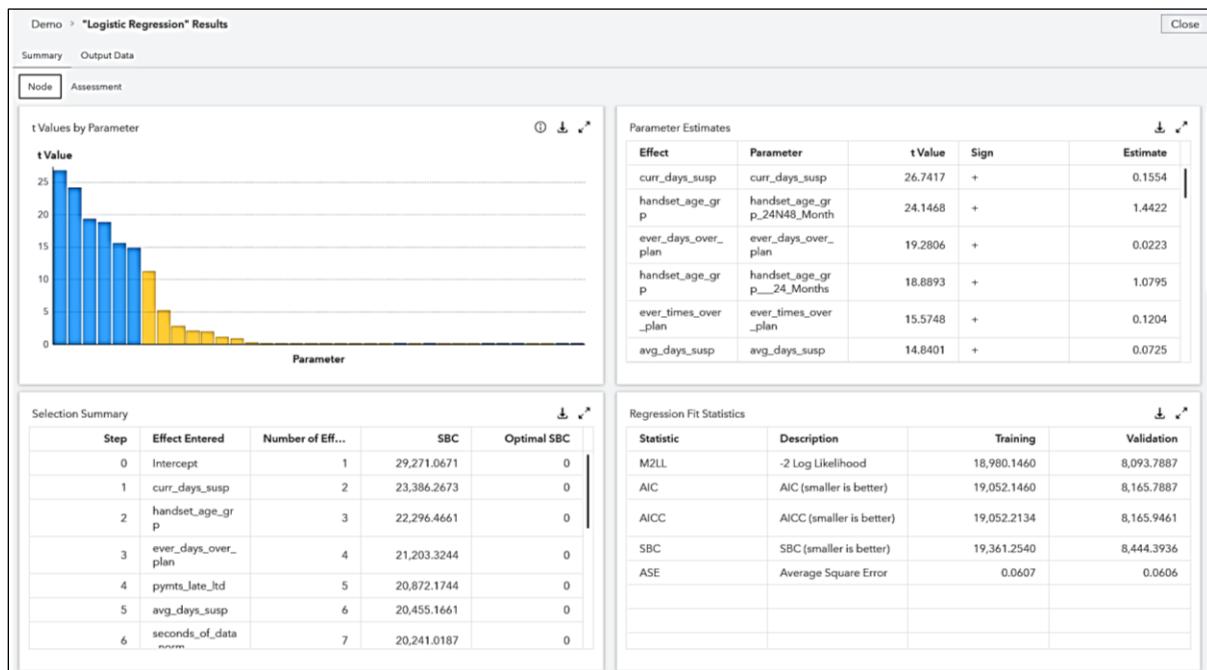


Here are some of the windows included under the Node tab in the results from the Logistic Regression node:

- t-values by Parameter plot
- Parameter Estimates table
- Selection Summary table
- Output

Here are some of the windows included under the Assessment tab in the results from the Logistic Regression node:

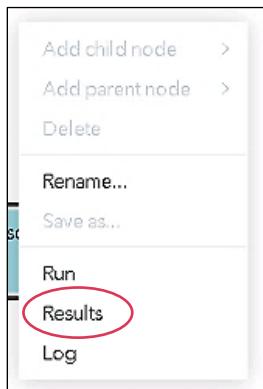
- Lift Reports plots
- ROC Reports plots
- Fit Statistics table



Explore the results as you see fit.

8. Close the Results window by clicking **Close** in the upper right corner of the window.

9. Right-click the **Model Comparison** node and select **Results**.



10. Click to expand the **Model Comparison** table. Unless specified, the default fit statistic (KS) is used for selecting a champion model with a class target.

Note: To change the default fit statistic for just this comparison, change the class selection statistic of the Model Comparison properties in the right-hand pane when the node is selected in the pipeline. To change the default fit statistic for all projects, change the class selection statistic on the Project Settings menu. The default is the Kolmogorov-Smirnov statistic (KS).

A subset of the Model Comparison table is shown below.

| Model Comparison | | | | | | | | | | |
|------------------|---------------------|---------------------|-------------|------------|------------|------------|-----------|------------|-------------|------------|
| Cham... | Name | Algorith... | KS (You...) | Misclas... | Misclas... | Root Av... | Averag... | Sum of ... | Multi-Cl... | Gini Co... |
| | Logistic Regression | Logistic Regression | 0.5743 | 0.0670 | 0.0670 | 0.2462 | 0.0606 | 16,967 | 0.2385 | 0.6359 |

Note: The Model Comparison node is always added by default when any model is contained in the pipeline. If the pipeline contains only a single model, the Model Comparison node summarizes performance of this one model.

11. Exit the maximized view by clicking **X** in the upper right corner of the window.
 12. Click **Close** to close the Model Comparison Results window.

End of Demonstration

1.3 Introduction to SAS Viya

SAS Viya on the SAS Platform

SAS Viya is an open, cloud-enabled, analytic run-time environment with a number of supporting services, including SAS Cloud Analytic Services (CAS). CAS is the in-memory engine on the SAS Platform.



The SAS Analytics Platform is a software foundation that is engineered to generate insights from your data in any computing environment. Built on a strategy of using analytical insights to drive business actions, this platform supports every phase of the analytics life cycle from data, to discovery, to deployment.

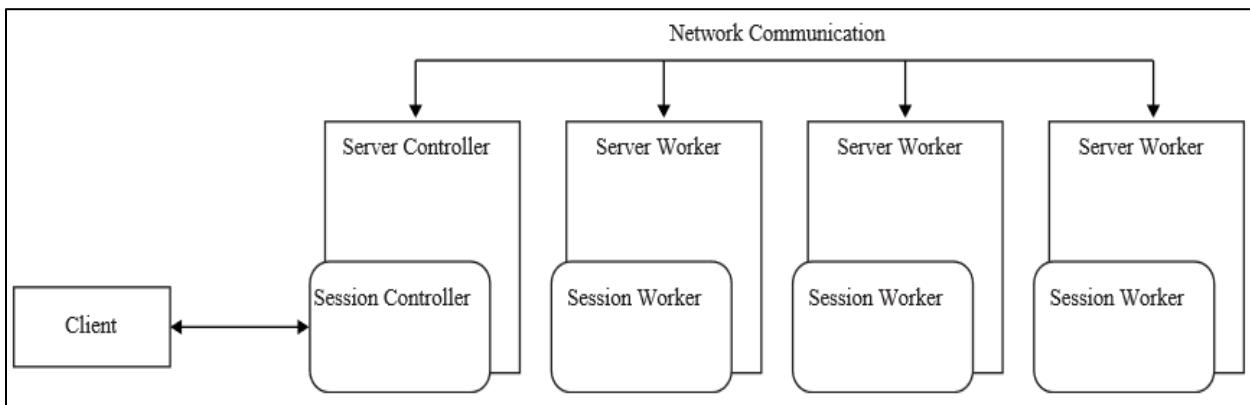
Run-time environment refers to the combination of hardware and software in which data management and analytics occur.

Part of the run-time environment for SAS Viya is *SAS Cloud Analytic Services*, or CAS. CAS is an in-memory, distributed, analytics engine. It uses scalable, high-performance, multi-threaded algorithms to rapidly perform analytical processing on in-memory data of any size.

CAS is designed to run in a single-machine symmetric multiprocessing (SMP) or multi-machine massively parallel processing (MPP) configuration. CAS supports multiple platform and infrastructure configurations.

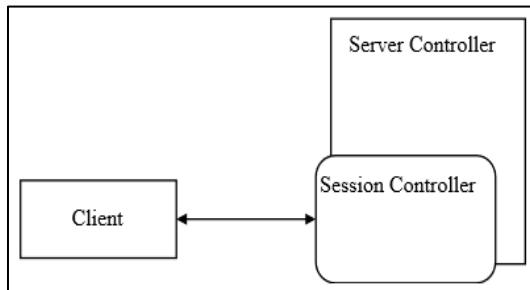
CAS also has a communications layer that supports fault tolerance. When CAS is running in an MPP configuration, it can continue processing requests even if it loses connectivity to some nodes. This communication layer also enables you to remove or add nodes while the server is running.

Distributed Server: Massively Parallel Processing (MPP)



A distributed server uses multiple machines to perform massively parallel processing. The figure above depicts the server topology for a distributed server. Of the multiple machines used, one machine acts as the controller and other machines act as workers to process data. Client applications communicate with the controller, and the controller coordinates the processing that is performed by the worker nodes. One or more machines are designated as worker nodes. Each worker node performs data analysis on the rows of data that are in-memory on the node. The server scales horizontally. If processing times are unacceptably long due to large data volumes, more machines can be added as workers to distribute the workload. Distributed servers are fault tolerant. If communication with a worker node is lost, a surviving worker node uses a redundant copy of the data to complete the data analysis. Whenever possible, distributed servers load data into memory in parallel. This provides the fastest load times.

Single-Machine Server: Symmetric Multiprocessing (SMP)

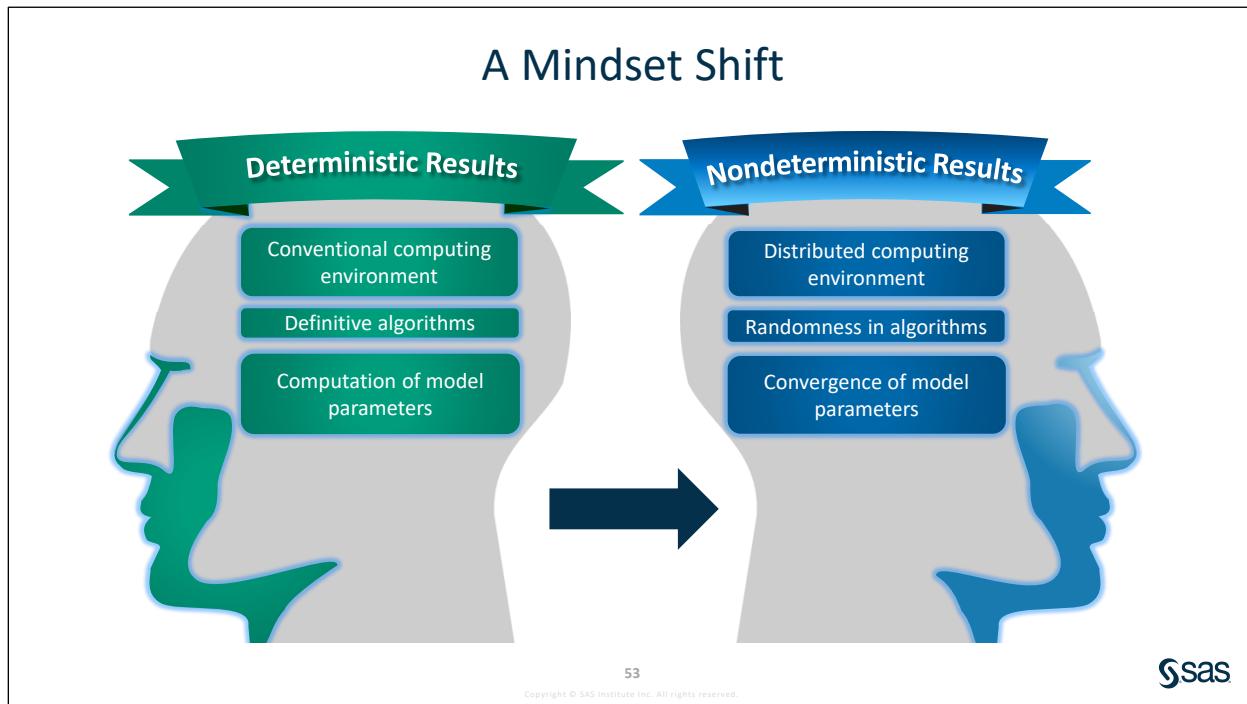


The figure above depicts the server topology for a single-machine server. The single machine is designated as the controller. Because there are no worker nodes, the controller node performs data analysis on the rows of data that are in-memory. The single machine uses multiple CPUs and threads to speed up data analysis. This architecture is often referred to as symmetric multiprocessing, or SMP. All the in-memory analytic features of a distributed server are available to the single-machine server. Single-machine servers cannot load data into memory in parallel from any data source.

Leveraging the CAS server that is part of the SAS Viya release includes a whole host of tangible benefits. The main reason is represented by a simple three-word phrase: tremendous performance gains. Because processes run so much faster, you can complete your work faster. This means that you can complete more work, and even entire projects, in a significantly reduced time frame.

| Processing Type | Multi-threaded, Single Machine (SAS Viya SMP) | Multi-threaded, Multiple Machines (SAS Viya MPP) |
|-----------------------------------|---|--|
| Distributed, parallel processing? | Yes | Yes |
| In-memory data persistence? | Yes | Yes |
| Common performance speed-up | 10x – 20x | Up to 100x* |

* Increase depends on many factors including hardware allocation. Performance could be higher.



In SAS Viya, you might have nondeterministic results or might not get the reproducible results, essentially because of two reasons:

- distributed computing environment
- nondeterministic algorithms

In distributed computing, cases are divided over compute nodes, and there could be variation in the results. You might get slightly different results even in the same server when the controllers/workers are more manageable. In different servers, this is even more predictable. A CAS server represents pooled memory and runs code multi-threaded. Multi-threading tends to distribute the same instructions to other available threads for execution, creating many different queues on many different cores using separate allocations or subsets of data. Most of the time, multiple threads perform operations on isolated collections of data that are independent of one another but part of a larger table. For that reason, it is possible to have a counter (for example, $n+1$) operating on one thread to produce a result that might be different from a counter operating on another thread, because each thread is working on a different subset of the data. Therefore, results can be different from thread to thread unless and until the individual results from multiple threads are summed together. It is not as complicated as it might sound. That is because SAS Viya automatically takes care of most collation and reassembly of processing results, with a few minor exceptions where you must further specify how to combine results from multiple threads.

A nondeterministic algorithm is an algorithm that, even for the same input, can exhibit different behaviors on different runs, as opposed to a deterministic algorithm. There are several ways an algorithm might behave differently from run to run. A concurrent algorithm can perform differently on different runs due to a race condition. A probabilistic algorithm's behaviors depend on a random number generator. The nondeterministic algorithms are often used to find an approximation to a solution when the exact solution would be too costly to obtain using a deterministic one (Wikipedia). Some SAS Visual Data Mining and Machine Learning models are created with a nondeterministic process. This means that you might experience different displayed results when you run a model, save that model, close the model, and re-open the report or print the report later.

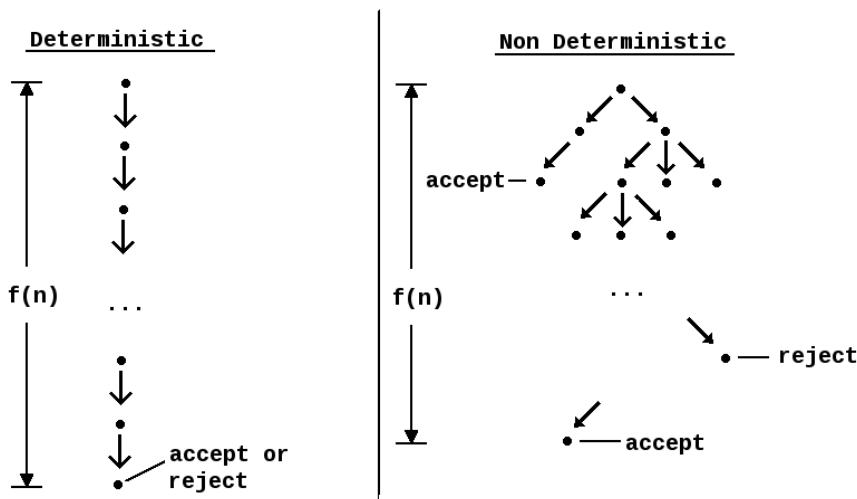


Image source: By Eleschinski2000 - With a paint program., CC BY-SA 3.0, <https://commons.wikimedia.org/w/index.php?curid=43528132>

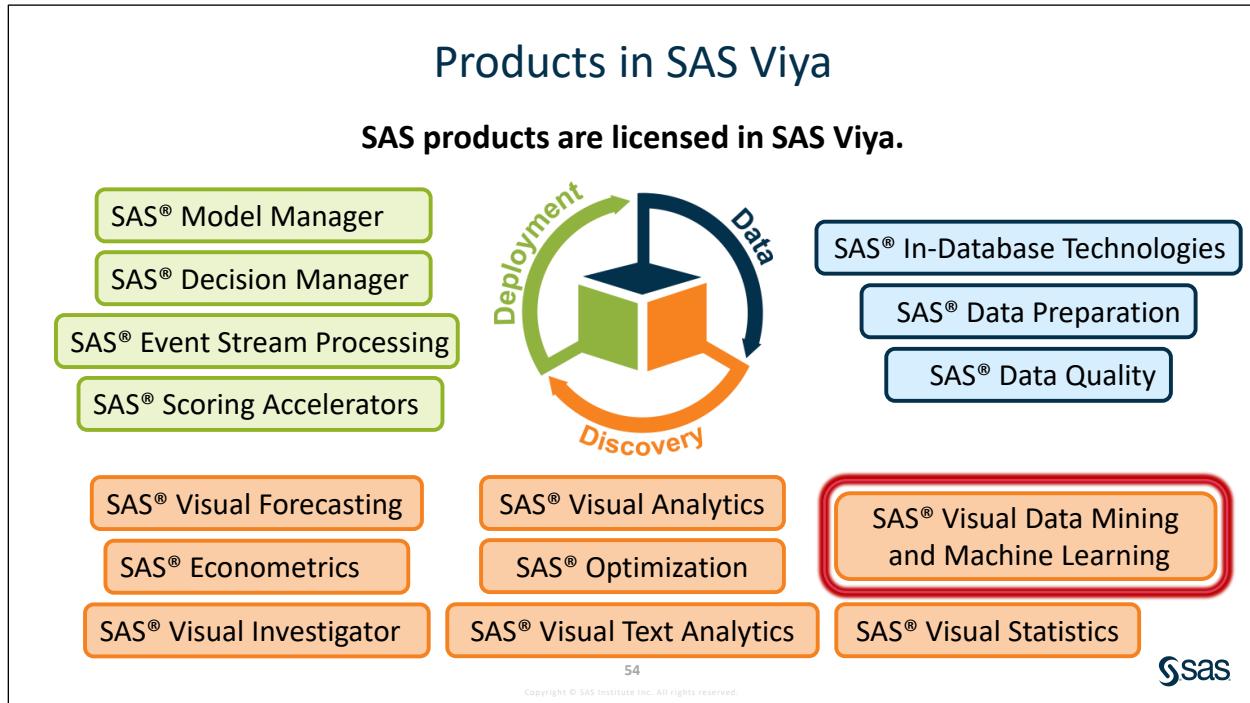
A deterministic algorithm that performs $f(n)$ steps always finishes in $f(n)$ steps and always returns the same result. A nondeterministic algorithm that has $f(n)$ levels might not return the same result on different runs. A nondeterministic algorithm might never finish due to the potentially infinite size of the fixed height tree.

It is an altogether different mindset!

You are “converging” on a model or “estimating” a model, not exactly computing the parameters of the model. Bayesians understand this when they look for convergence of parameters. They try to converge to a distribution, not a point. Maybe it would be interesting to try running the models 10 times across different samples and ensembling them to see the dominant signal. You cannot expect the results to be reproduced because some algorithms have randomness included in the process.

However, the results do converge. This is a distinguished computing environment designed for big data, and this non-reproducibility is the price that we pay.

Note: “Data Science’s Reproducibility Crisis” <https://towardsdatascience.com/data-sciences-reproducibility-crisis-b87792d88513> is an interesting read.



A variety of products sit in SAS Viya. They enable users to perform their jobs as part of the analytics life cycle. In this course, you use SAS Visual Data Mining and Machine Learning, which provides end-to-end analytics.

SAS Viya includes the following products:

| | |
|--|---|
| SAS Visual Analytics | Visually explores all data, discovers new patterns, and publishes reports to the web and mobile devices. |
| SAS Visual Statistics | Adds an additional set of advanced analytic functionality that builds on SAS Visual Analytics. |
| SAS Visual Data Mining and Machine Learning | Surfaces in-memory machine-learning techniques such as gradient boosting, factorization machines, neural networks, and much more, through SAS Studio tasks, procedures, and a Python client. The visual interface is Model Studio, which provides integration between common analytical processes from data preparation, to exploration, to model development and deployment. |
| SAS Visual Text Analytics | Leverages powerful natural language processing, machine learning, and linguistic rules to reveal insights in data. |
| SAS Visual Forecasting | Leverages time series data to forecast future results. |

| | |
|------------------------------------|--|
| SAS Econometrics | Provides techniques to model complex business and economic scenarios and analyze the dynamic impact that specific events might have over time. |
| SAS Optimization | Enables organizations to effectively consider more alternative actions and scenarios and determine the best allocation of resources and the best plans for accomplishing goals. |
| SAS Data Preparation | Quickly prepare data for analytics in a self-service, point-and-click environment with data preparation from SAS. |
| SAS Model Manager | Provides a framework for creating, managing, monitoring, and governing analytic models. |
| SAS Decision Manager | Streamlines analytical model and business rule deployment and automates operational business decisions. |
| SAS Event Stream Processing | Analyzes millions of events per second, detects patterns of interest as they occur, and decides what information should be acted on immediately, what can be ignored, and what should be stored. |
| SAS Visual Investigator | Analyzes and integrates disparate data throughout an organization and empowers users to uncover previously unknown relationships and insights. |

Note: The Model Studio interface is superset of SAS Visual Data Mining and Machine Learning, SAS Visual Forecasting, and SAS Visual Text Analytics.

More about SAS Visual Data Mining and Machine Learning:

SAS Visual Data Mining and Machine Learning is a product offering in SAS Viya that contains (1) underlying CAS actions and SAS procedures for data mining and machine learning applications, and (2) GUI-based applications for different levels and types of users. These applications are as follows:

- Programming interface: a collection of SAS procedures for direct coding or access through tasks in SAS Studio
- Interactive modeling interface: a collection of tasks in SAS Visual Analytics for creating models in an interactive manner with automated assessment visualizations
- Automated modeling interface: a pipeline application called Model Studio that enables you to construct automated flows consisting of various nodes for preprocessing and modeling, with automated model assessment and comparison, and direct model publishing and registration.

Each of these executes the same underlying actions in the CAS execution environment. In addition, there are supplementary interfaces for preparing your data (Data Studio) and managing and deploying your models (SAS Model Manager and SAS Decision Manager) to support all phases of a machine learning application.

Note: In this course, you primarily explore the Model Studio interface and its integration with other SAS Visual Data Mining and Machine Learning interfaces.

You use the SAS Visual Data Mining and Machine Learning web client to visually assemble, configure, build, and compare data mining models and pipelines for a wide range of analytic data mining tasks. The software provides to new data miners a variety of end-to-end analytical modeling templates as well as the opportunity to create, modify, and save your own data mining tools, templates, and model score codes. SAS Visual Data Mining and Machine Learning provides support for your custom SAS code in the analytic pipeline models that you create.

The software expedites and simplifies model assessment and model pipeline comparisons when evaluating competing analytic models for the role of champion model. SAS Visual Data Mining and Machine Learning readily imports and exports data to other visual SAS analytic applications, as well as SAS Enterprise Miner on SAS 9.4 (and earlier) releases.

You can share projects and analyses developed in SAS Visual Data Mining and Machine Learning among concurrent users. SAS Visual Data Mining and Machine Learning generates APIs that enable model content and score code to be integrated with applications outside of SAS. SAS Visual Data Mining and Machine Learning supports integration with SAS Model Manager as well as many commercial databases.

SAS Viya: A Deeper Dive (Self-Study)

SAS Viya Infrastructure:

SAS moved from multi-vendor to multi-cloud support. The IT Department can add compute resources from whom they want and when they need them.

Each tenant is completely isolated from other tenants. For example, a use case would be a tenant for your Human Resources Department. You must guarantee that access to sensitive data is restricted to appropriate personnel.

Activating multi-tenancy is a deployment-time decision. Ensure that you understand the implications of this choice before you deploy resources.

SAS Viya is deployed with Transport Layer Security (TLS) to secure network connections and is fully compliant with SAS security standards.

Data Source and SAS Viya:

Persisted in-memory data is another unique SAS Viya feature. This is the shift away from using flat files and external data sets to a strategy of using persisted, pre-loaded data tables. In SAS Viya, all data typically go through an I/O conversion process only once and can be reused as many times as needed thereafter, without incurring the same expense of conversion into a binary, machine-level format. SAS Viya data is either stored within the RAM of a single machine (and runs in SMP mode) or within a shared pool of allocated memory created from several networked machines as part of a common memory grid (which enables Massively Parallel Processing, or MPP mode). That pooled memory array is an integral part of CAS. After the data is loaded into CAS, all processing instructions execute very quickly against the pre-converted, in-memory data.

Interfaces to SAS Viya:

There are many interfaces to SAS Viya. In this course, we use Model Studio. SAS Visual Analytics and SAS Studio are two other interfaces that can be used to access SAS Viya. From within each tool, you can extend your analysis into one of the others. Data can be shared, and models can be extended and compared.

Although SAS Viya can be used by various SAS applications, it also enables you to access analytic methods from SAS, Python, Lua, and Java, as well as through a REST interface that uses HTTP or HTTPS.

SAS Viya Consistency:

SAS Viya enables customers to develop, deploy, and manage enterprise-class analytical assets throughout the analytics life cycle with a single platform with the underlying engine called CAS, which is the acronym for Cloud Analytic Services.

- SAS Viya delivers a single, consolidated, and centralized analytics environment. Customers no longer need to stitch together different analytic code bases.
- It natively supports programming in SAS and access to SAS from other languages such as R, Python, Java, and Lua. This means that data scientists and coders not familiar with SAS can use SAS Viya, but they do not need to learn SAS code.
- It supports access to SAS from third-party applications with public REST APIs, so developers can easily include SAS analytics in their applications.
- Regardless of which interface is used, the same CAS actions are applied behind the scenes for the same procedure. This provides important consistency.

Note: A CAS *action set* is a collection of actions that group functionality (for example, simple summary statistics). Many SAS procedures are being functionally converted into CAS actions and CAS action sets to be executed by the CAS server. Procedures that are executable by the CAS server and submitted from a SAS client can call the corresponding CAS actions. Then the actions produce output that is very similar to the SAS procedure.

A CAS *action*, the smallest unit of functionality in CAS, sends a request to the CAS server. The action parses the arguments of the request, invokes the action function, returns the results, and cleans the resources.

1.4 Solutions

Solutions to Activities and Questions

1.01 Multiple Answer Question – Correct Answer

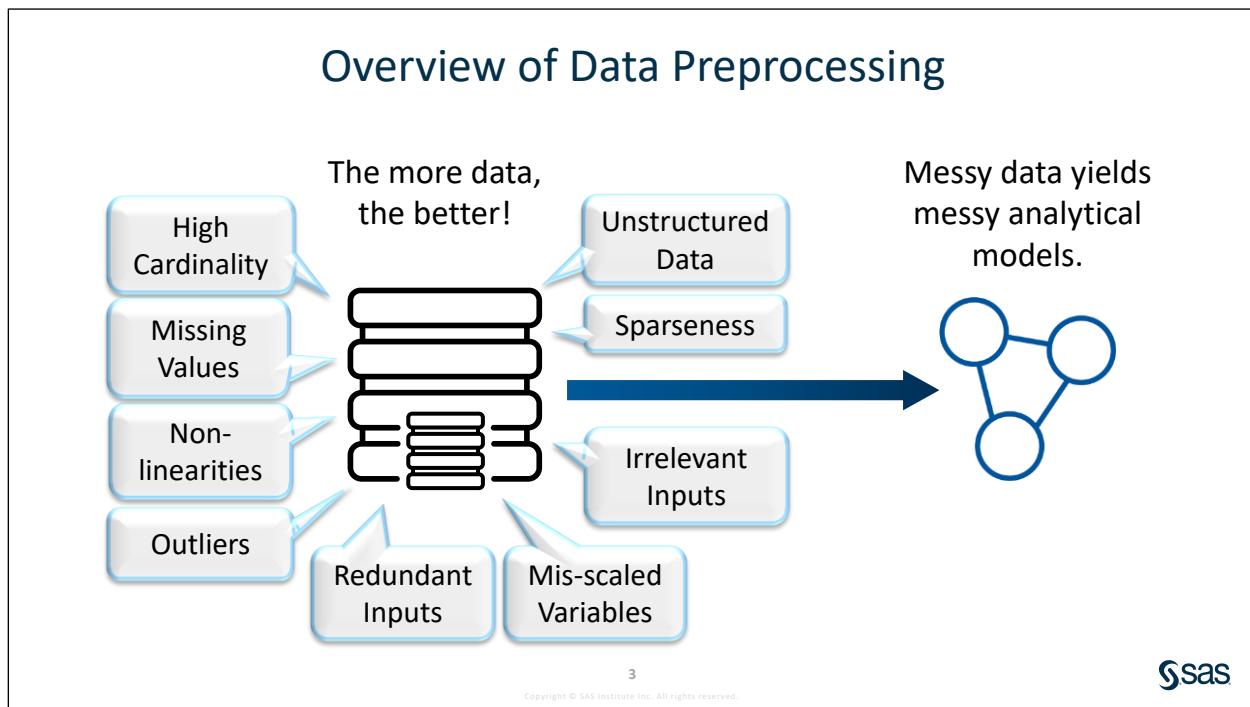
After you create your new project, Model Studio takes you to the Data tab. What all you can do in the Data tab? (Select all that apply.)

- a. Modify variable roles and measurement levels
- b. Manage global metadata
- c. Modify variable names and labels
- d. Manage columns to display in the Variables table

Lesson 2 Data Preparation

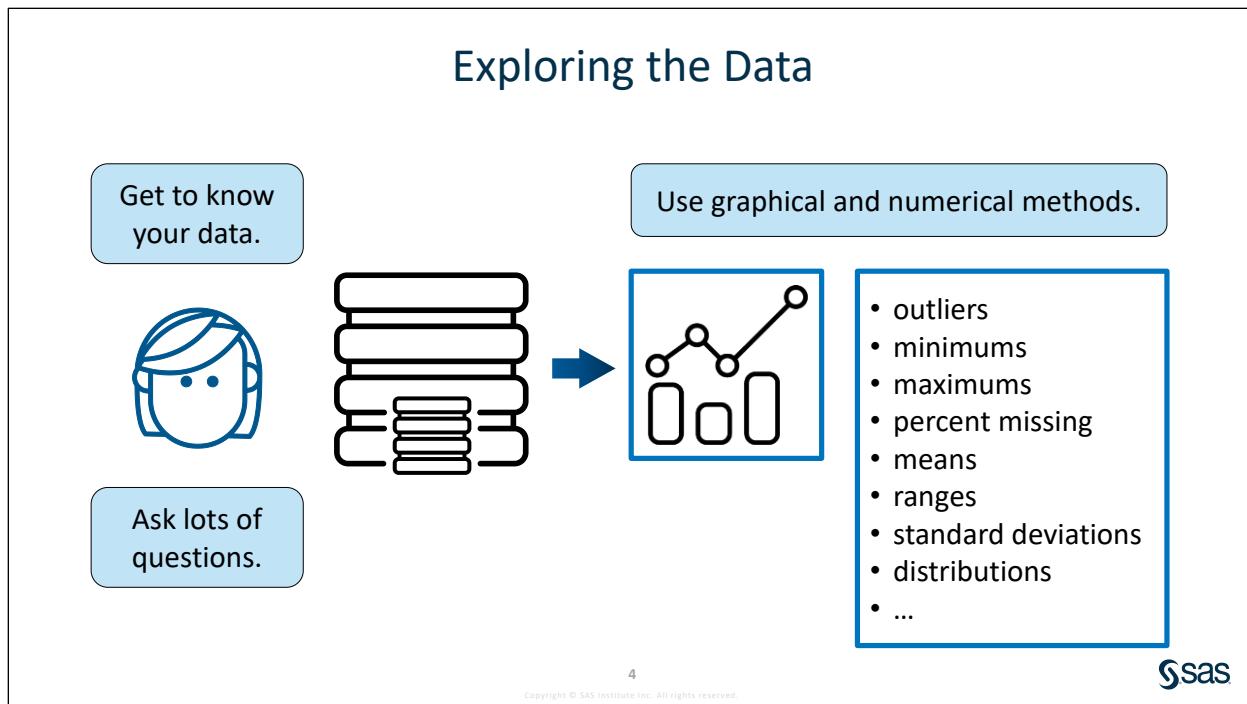
| | |
|---|-------------|
| 2.1 Data Exploration..... | 2-3 |
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2.1 Data Exploration

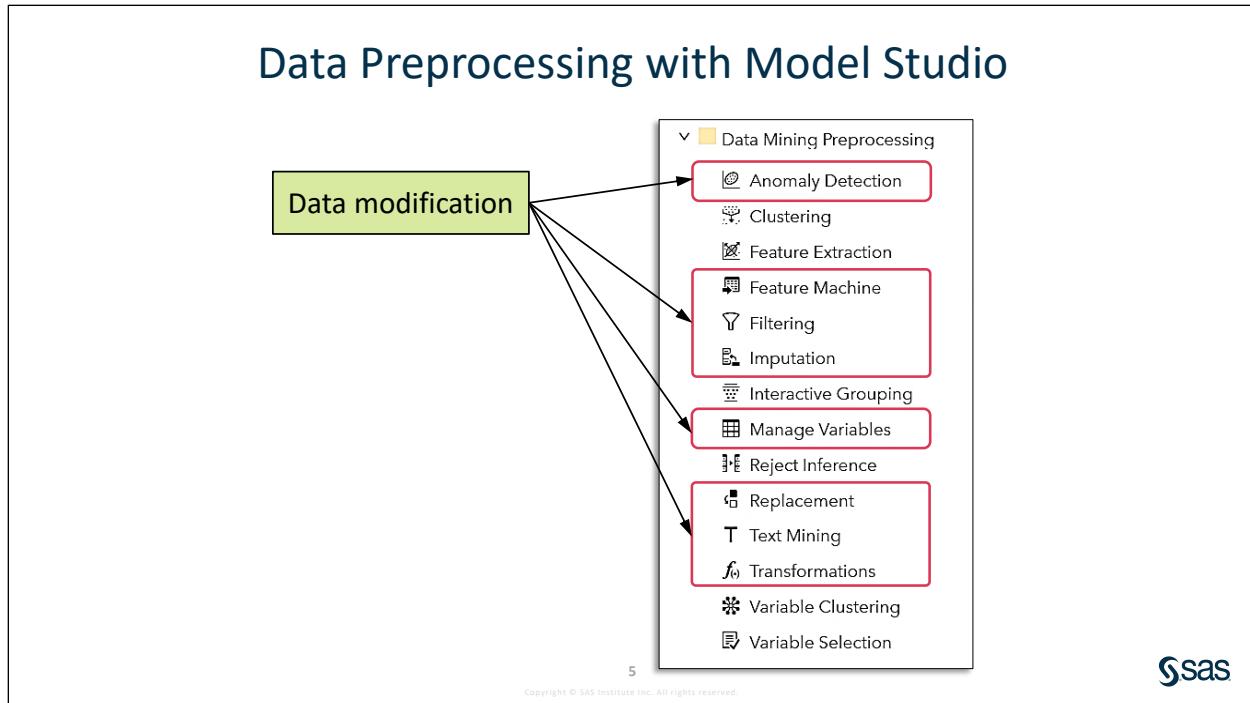


“The more data, the better” is the rule that generally prevails in any analytical exercise. However, real life data is usually dirty and noisy because of inconsistencies, incompleteness, duplication, and merging problems.

Preparing your data for analysis starts with exploring your data. Then, to clean up and reduce the data to a manageable and relevant size, you must apply various data preprocessing techniques. Remember the GIGO principle, which essentially states that messy data yields messy analytical models. Effective machine learning models are built on a foundation of well-prepared data. Before cleaning and transforming the data, you must think about how the data will be used. You must consider the analysis goal, the methods that you are using, and whether your data is appropriate in the first place. Shortcuts in data preprocessing hamper your models.



Exploring the data can be one of the most important and time-consuming parts of an analytical project. When exploring data, analysts try to gain intimate knowledge of the variables by using both graphical and numerical methods. Common graphical tools include histograms, scatter plots, bar charts, and stem-and-leaf plots. There are also more modern graphical tools, such as heat maps and word clouds, that scale well to large data sets. Numerical summary methods are also used to explore data. These include summary statistics for measure of central tendency such as the mean, median, or mode. Numeric measures of variability such as variance, standard deviation, range, or interquartile range are also used to explore data. Extreme values such as outliers, the minimum, or the maximum are used to explore data as well as counts or percentages of missing data. Bivariate measures such as correlation are also used.



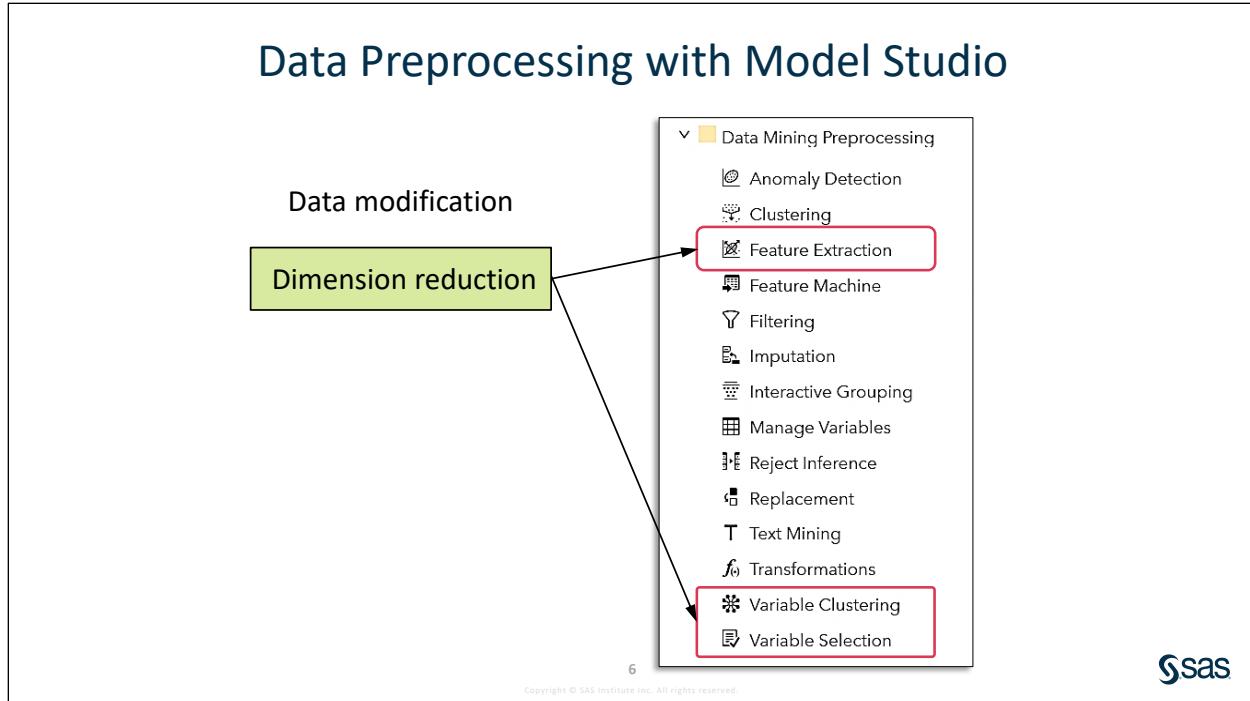
Data preprocessing can occur in several places throughout SAS Visual Data Mining and Machine Learning: in a dedicated application (Data Studio), during visual exploration (SAS Visual Analytics), and during execution of a pipeline (Model Studio). Here we use the Model Studio application, which provides data preprocessing capabilities in the form of pipeline nodes. These nodes form a group called Data Mining Preprocessing.

Data modification is a broad preprocessing category. Any operation that alters the data or data roles can be considered as a modification, including dimension reduction techniques. Model Studio provides several SAS Visual Data Mining and Machine Learning nodes to modify your data.

Anomaly Detection The Anomaly Detection node identifies and excludes anomalies using the support vector data description, or SVDD. Briefly, the SVDD formulation identifies outliers by determining the smallest possible hypersphere (built using support vectors) that encapsulates the training data points. The SVDD then excludes those data points that lie outside of the sphere that is built from the training data. Anomaly detection with SVDD is useful for data sets where most of the data belongs to one class and the other class is scarce or missing.

Feature Machine The Feature Machine node first identifies the data quality issues and then automatically generates new features by performing variable transformations. It generally addresses data quality issues such as high cardinality, high kurtosis, high skewness, low entropy, low indices of qualitative variation, missing values, outliers, and so on. And it performs one or more variable transformations such as Box-Cox, decision tree binning, MDLP binning, median imputation, missing level and label encoding, missing indicator, mode imputation and group rare, mode imputation and label encoding, quantile binning with missing bins, regression tree binning, target encoding, Yeo-Johnson transformation and median imputation.

| | |
|------------------|---|
| Filtering | The Filtering node excludes certain observations, such as rare values and outliers. Filtering extreme values from the training data tends to produce better models because the parameter estimates are more stable. |
| Imputation | The Imputation node replaces missing values in data sets. Simple imputation schemes include replacing a missing value in an input variable with the mean or mode of that variable's nonmissing values. For non-normally distributed variables or variables that have a high proportion of missing values, simple imputation might be ineffective. Imputation might also fail to be effective for variables whose missingness is not at random. For ideal results, create missing indicators and use them in the model alongside imputed variables. This practice can result in improved outcomes, even in cases where the variables are normally distributed and have few missing values. |
| Manage Variables | The Manage Variables node enables you to make modifications (such as changing the role of a variable or adding new transformations) to the data while within a Model Studio pipeline. The options available to you are a subset of the options available under the Data tab. |
| Replacement | The Replacement node enables you to replace outliers and unknown class levels with specified values. Much like with imputation, simple replacement of outliers and unknown class level is not always effective. Care should be taken to use replacement effectively. |
| Text Mining | The Text Mining node enables you to process text data in a document collection. These data can be used to build predictive models in a distributed computing environment. Data are processed in two phases: text parsing and transformation. Text parsing processes textual data into a term-by-document frequency matrix. Transformations such as singular value decomposition (SVD) alter this matrix into a data set that is suitable for data mining purposes. |
| Transformations | The Transformations node enables you to alter your data by replacing an input variable with some function of that variable. Transformations have many use cases. Transformations can be used to stabilize variances, remove nonlinearity, and correct nonnormality. |



Dimension reduction decreases the number of variables under consideration. In many applications, the raw data have very high-dimensional features, and some features are redundant or irrelevant to the task. Reducing the dimensionality helps find the true, latent relationship. Model Studio provides three nodes in SAS Visual Data Mining and Machine Learning for dimension reduction.

- | | |
|---------------------|---|
| Feature Extraction | The Feature Extraction node transforms the existing features (variables) into a lower-dimensional space. Feature extraction in Model Studio is done using various techniques, including principal component analysis (PCA), robust PCA, singular value decomposition (SVD), and autoencoders. This is done by generating new features that are composites of the existing features. One drawback to feature extraction is that the composite variables are no longer meaningful with respect to the original problem. |
| Variable Clustering | The Variable Clustering node divides numeric variables into disjoint clusters and chooses a variable that represents each cluster. Variable clustering removes collinearity, decreases redundancy, and helps reveal the underlying structure of the data set. |
| Variable Selection | The Variable Selection node uses several unsupervised and supervised methods to determine which variables have the most impact on the model. Supervised variable selection techniques include variable selection based on linear models and tree-based models (such as decision tree, forest, and gradient boosting). This tool enables you to specify more than one selection technique, and there are several options for selection criteria. Because there can be disagreements on selected variables when different techniques are used, this functionality enables you to select variables that are consistently selected. Variables that fail to meet the selection criteria are marked as rejected and not used in successor modeling nodes. |

Data Preprocessing with Model Studio

The diagram illustrates the 'Data Preprocessing with Model Studio' interface. On the left, there is a vertical list of categories: 'Data modification', 'Dimension reduction', and 'Unsupervised learning'. The 'Unsupervised learning' category is highlighted with a green background. An arrow points from this green box to a list of preprocessing steps on the right. This list is titled 'Data Mining Preprocessing' and includes the following items:

- Anomaly Detection
- Clustering** (highlighted with a red border)
- Feature Extraction
- Feature Machine
- Filtering
- Imputation
- Interactive Grouping
- Manage Variables
- Reject Inference
- Replacement
- Text Mining
- Transformations
- Variable Clustering
- Variable Selection

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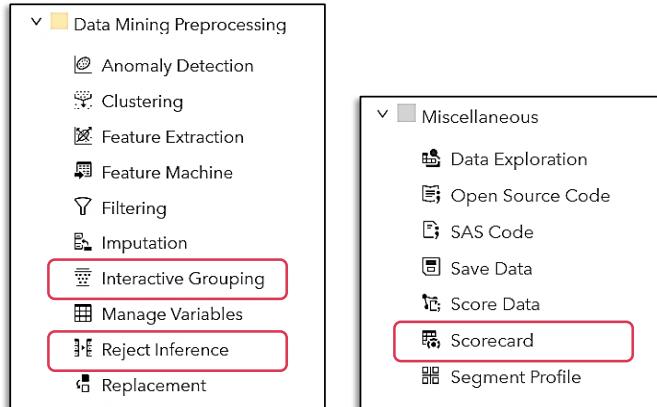
7

When performing *unsupervised learning*, the machine is presented with unlabeled data (unlabeled data have no target). Unsupervised learning algorithms seek to discover intrinsic patterns that underlie the data, such as a clustering or a redundant parameter (dimension) that can be reduced. Model Studio provides the Clustering node to perform observation clustering based on distances that are computed from quantitative variables or qualitative variables (or both). The node uses the following algorithms:

- the *k*-means algorithm for clustering interval (quantitative) input variables
- the *k*-modes algorithm for clustering nominal (qualitative) input variables
- the *k*-prototypes algorithm for clustering mixed input that contains both interval and nominal variables

Clustering is often used to segment a large data set into several groups. Analysis can be performed in each group to help users find intrinsic patterns.

Risk Modeling Add-on for SAS Visual Data Mining and Machine Learning (Optional)



8

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The risk modeling nodes provide functionality related to credit scoring. However, this is beyond the scope of this course.

Note: Risk Modeling Add-on for SAS Visual Data Mining and Machine Learning is not included with the base version of SAS Visual Data Mining and Machine Learning. If your site has not licensed Risk Modeling Add-on for SAS Visual Data Mining and Machine Learning, the Interactive Grouping node does not appear in your SAS Visual Data Mining and Machine Learning software.

The **Interactive Grouping** node performs initial variable screening and groups variable values into classes that can be used as input variables for predictive modeling. Input variables are referred to as *characteristics* and each possible value of a characteristic is referred to as an *attribute*.

The **Reject Inference** node uses the model that was built with the accepted applications to score the rejected applications in the retained data. The observations in the rejected data set are classified as *inferred events* and *inferred nonevents*. The inferred observations are added to the **Accepts** data set that contains the actual events and nonevents records, forming an augmented data set. This augmented data set then serves as the input data set of a second credit-scoring modeling run. During the second modeling run, attribute classification is readjusted, and the regression coefficients are recalculated to compensate for the data set augmentation.

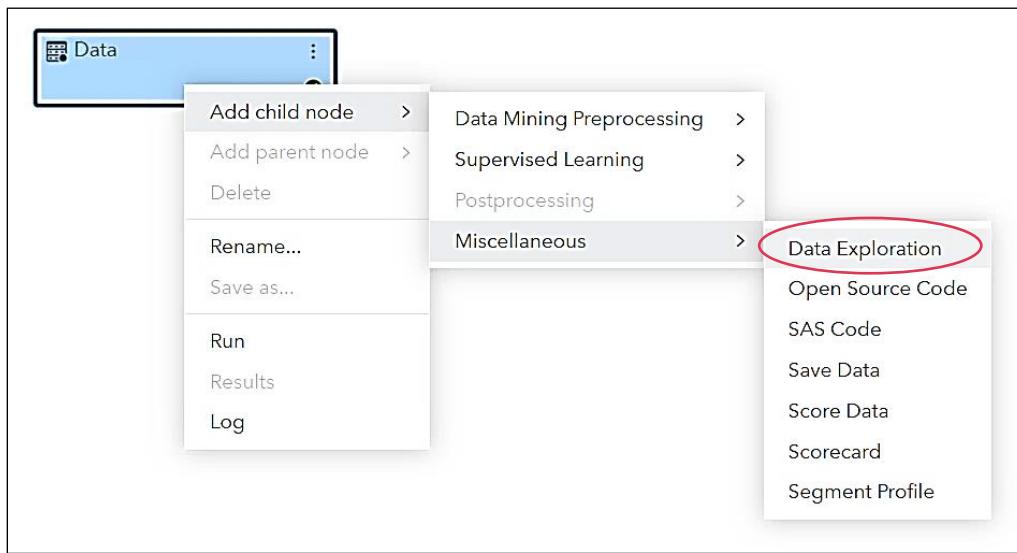
The **Scorecard** node enables you to rescale the logit scores of binary prediction models so that they fall within a specified range.



Exploring Source Data

In this demonstration, you use the Data Exploration node in Model Studio to assay and explore the **commsdata** data source. You will frequently find it useful to profile a data set before continuing your analysis. Here you select a subset of variables to provide a representative snapshot of the data. Variables can be selected to show the most important inputs, or to indicate suspicious variables (that is, variables with anomalous statistics).

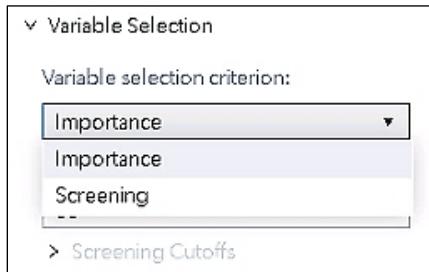
1. If you closed your browser and need to sign back in, do the following:
 - a. From the Windows taskbar, launch Google Chrome. When the browser opens, select **SAS Viya** ⇒ **SAS Drive** from the bookmarks bar or from the link on the page.
 - b. The **User ID** and **Password** fields should be pre-filled. If not, perform the following two steps:
 - 1) Enter **student** for the user ID.
 - 2) Enter **Metadata0** for the password.
 - c. Click **Sign In**.
 - d. Select **Yes** in the Assumable Groups window.
2. From the Model Studio Projects page, open the **Demo** project from the available existing projects.
3. Click the **Pipelines** tab. (You should be looking at the pipeline called **Pipeline 1**, but if you are not, click on its tab.)
4. Right-click the **Data** node and select **Add child node** ⇒ **Miscellaneous** ⇒ **Data Exploration**.



Note: You can also drag the node from the left pane, after clicking the **Nodes** button , to the top of the Data node, and the node is added below.

The Data Exploration node selects a subset of variables to provide a representative snapshot of the data. You can specify which data partition (or all input data) to analyze.

5. Keep the default setting for **Variable selection criterion**, which is **Importance**. The variable selection criterion specifies whether to display the most important inputs or suspicious variables. The other possible value is **Screening**.



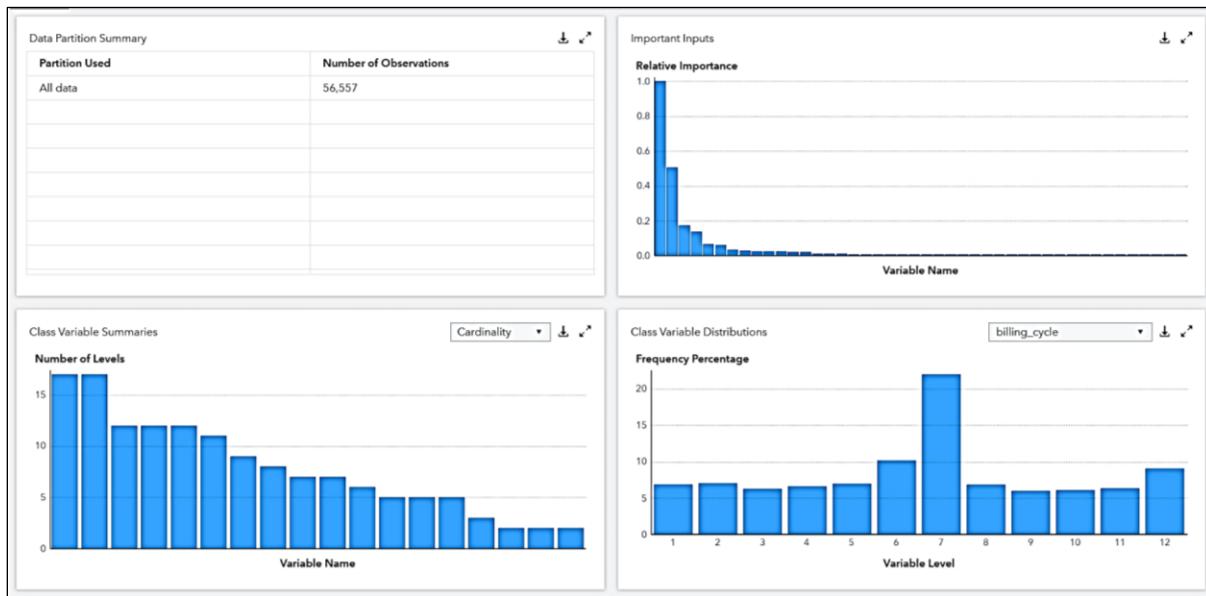
Variables can be selected to show the most important inputs or to indicate anomalous statistics. By default, a maximum of 50 variables will be selected with the Importance criterion.

You can control the selection of suspicious variables by specifying screening criteria such as cutoff for flagging variables with a high percentage of missing values, high-cardinality class variables, class variables with dominant levels, class variables with rare modes, skewed interval variables, peaky (leptokurtic) interval variables, and interval variables with thick tails (that is, platykurtic distributions).

6. Right-click the **Data Exploration** node and select **Run** (or click **Run Pipeline** in the upper right corner).

The Data Exploration node gives you a statistical summary of the input data. This node can be a useful first step in analysis because it enables you to profile your data set. The Data Exploration node can be placed most anywhere in a pipeline except after the Model Comparison node.

7. When the pipeline finishes running, right-click the **Data Exploration** node and select **Results**.



8. Click the **Expand** button  on the **Important Inputs** bar chart and examine the relative importance of the ranked variables. This bar chart is available only if **Variable selection criterion** is set to **Importance**.

Relative importance is calculated based on a decision tree, and it is covered in detail in the next lesson.

9. Exit the maximized view.

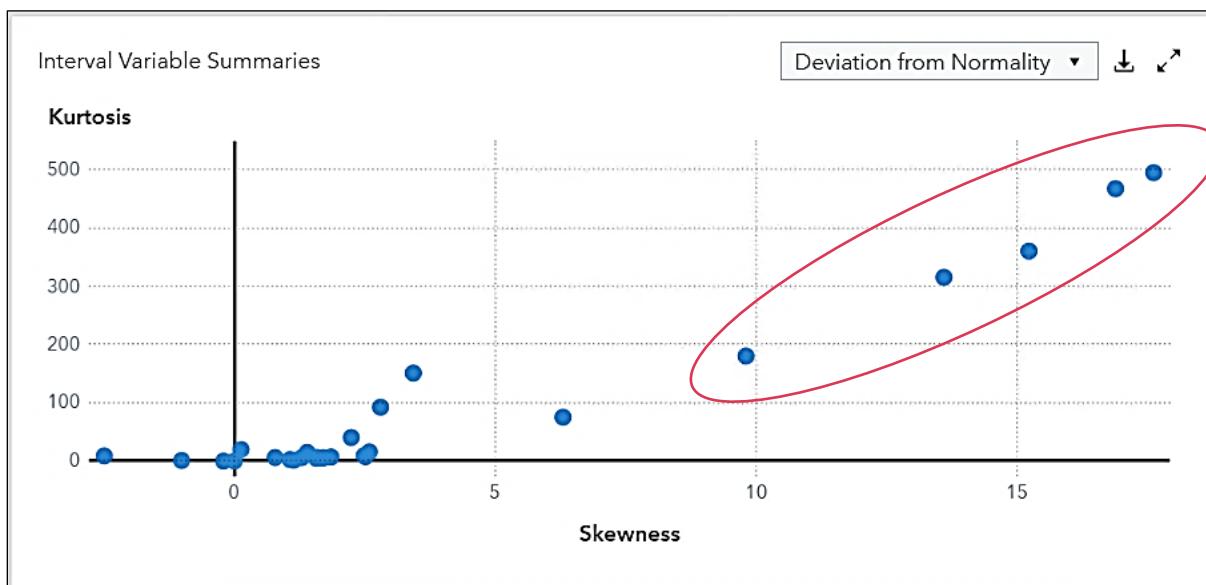
10. Scroll down in the Results window and expand the **Interval Variable Moments** table.

| Interval Variable Moments | | | | | | | | | |
|---------------------------|--------------|-------------|------------|------------------|----------|----------|--------------------|----------------|--------------|
| Variable Name | Minimum | Maximum | Mean | Standard Devi... | Skewness | Kurtosis | Relative Variab... | Mean plus 2 SD | Mean minus 2 |
| MB_Data_Usg_M04 | 0 | 14,606 | 159,3069 | 381,1479 | 9.8152 | 179,7305 | 2.3925 | 921,6027 | -602,98 |
| MB_Data_Usg_M05 | 0 | 24,707 | 142,7953 | 471,5578 | 13.6122 | 315,4086 | 3.3023 | 1,085,9108 | -800,32 |
| MB_Data_Usg_M06 | 0 | 29,676 | 230,5486 | 718,7864 | 15.2432 | 360,4407 | 3.1177 | 1,668,1214 | -1,207,02 |
| MB_Data_Usg_M07 | 0 | 13,672 | 94,2740 | 259,8391 | 17.6345 | 495,6026 | 2.7562 | 613,9521 | -425,40 |
| MB_Data_Usg_M08 | 0 | 16,297 | 109,5912 | 348,7336 | 16.9031 | 467,9811 | 3.1821 | 807,0585 | -587,87 |
| avg_days_susp | 0 | 62 | 3.4714 | 3.8313 | 1.5937 | 5.0681 | 1.1037 | 11,1139 | -4,19 |
| bill_data_usg_m03 | -13,678 | 40,767,1000 | 1,864,9142 | 1,634,5099 | 1.3974 | 13,7884 | 0.8765 | 5,133,9339 | -1,404,10 |
| bill_data_usg_m06 | -10,874,3000 | 6000 | 1,869,1400 | 1,418,9061 | 1.3000 | 5.0748 | 0.7591 | 4,706,9523 | -968,67 |
| calls_care_ld | 0 | 266 | 91,3478 | 49,3820 | 1.1421 | 0.3660 | 0.5406 | 190,1117 | -7,41 |
| calls_out_pk | -498 | 1,603,6667 | 72,2829 | 83,4204 | 2.5905 | 14,5607 | 1.1541 | 239,1237 | -94,55 |
| calls_total | -1,837,3500 | 9100 | 727,7481 | 615,5985 | 1.7105 | 4.7740 | 0.8459 | 1,958,9450 | -503,44 |
| cs_afr_amer | 0.0100 | 100 | 11,5995 | 18,4501 | 2.5168 | 6.3704 | 1.5906 | 48,4997 | -25,30 |
| cs_caucasian | 0.3900 | 99,8700 | 69,6051 | 27,2503 | -1.0103 | -0.0923 | 0.3915 | 124,1057 | 15,10 |
| cs_ttl_mdage | 14 | 75 | 35,3786 | 5,1257 | 0.7834 | 4.9416 | 0.1449 | 45,6300 | 25,12 |
| curr_days_susp | 0 | 43 | 2.6708 | 4.0652 | 2.4918 | 8.2810 | 1.5221 | 10,8013 | -5,45 |

This table displays the interval variables with their associated statistics, which include minimum, maximum, mean, standard deviation, skewness, kurtosis, relative variability, and the mean plus or minus two standard deviations. Note that some of the input variables have negative values.

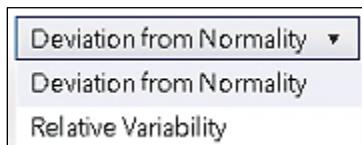
11. Exit the maximized view of this window.

12. Scroll down in the Data Exploration Results window to examine the Interval Variable Summaries scatter plot. Observe that several variables have deviation from normality—that is, high kurtosis on the Y axis and high skewness on the X axis.



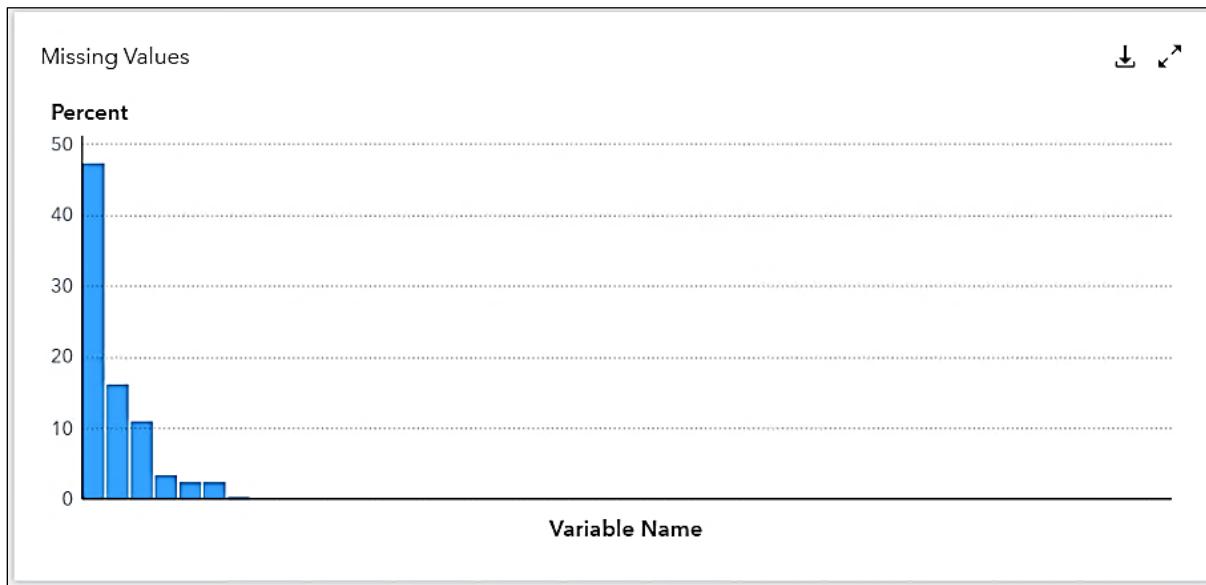
The highlighted ones are the **MB_Data_Usg_M04** through **MB_Data_Usg_M08** variables. You can place your cursor on these dots to see the variable names.

13. Use the drop-down menu in the upper right corner to examine a bar chart of the relative variability for each interval variable.



Note: Relative variability is useful for comparing variables with similar scales, such as several income variables. Relative variability is the coefficient of variation, which is a measure of variance relative to the mean, $CV=\sigma/\mu$.

14. Scroll down in the Data Exploration Results window to examine the Missing Values bar chart and validate that quite a few variables have missing values.



This is an important finding that you address in the next demonstration.

15. Click **Close**.
16. Double-click the **Pipeline 1** tab and rename it **Data Exploration**. Press the Enter key.

End of Demonstration

2.01 Multiple Answer Question

The Data Exploration node in Model Studio enables you to do which of the following? (Select all that apply.)

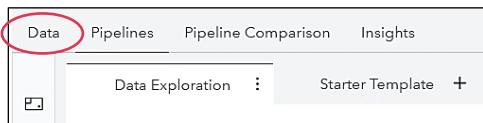
- a. profile a data set
- b. observe the most important inputs or suspicious variables
- c. drop variables that have deviation from normality
- d. select variables with high percentage of nonmissing values as inputs



Modifying and Correcting Source Data

In this demonstration, you use the Data tab and Replacement node to modify a data source.

1. Click the **Data** tab.



2. Right-click the **Role** column and select **Sort** ⇒ **Sort (ascending)**.

| Role | Level | Order | Co |
|-------|----------------------|---|----|
| Input | Resize | Default | |
| Input | Resize column to fit | Default | |
| Input | Freeze | Default | |
| Input | Sort > | Add to sort (ascending) | |
| Input | Filter | Add to sort (descending) | |
| Input | Interval | Sort (ascending) (highlighted with red circle) | |
| Input | Interval | Sort (descending) | |
| Input | Interval | Remove sort | |
| Input | Interval | Default | |

All the Input variables are grouped together after the ID variable (or variables) and before the Rejected variables.

| Role ↑ |
|--------|
| ID |
| Input |
| Input |
| Input |

3. Scroll to the right. Right-click the **Minimum** column and select **Sort** ⇒ **Add to sort (ascending)**.

Variables with negative minimum values are grouped together.

| Missing | Minimum | Maximum |
|---------|--|------------|
| 0.0000 | 471.0 | 87 |
| 0.0000 | 0.0 | 3 |
| 0.0000 | 0.0 | |
| | Add to sort (ascending) (highlighted with red circle) | |
| | Add to sort (descending) | |
| | Sort (ascending) | |
| | Sort (descending) | |
| | Remove sort | |
| 1.5860 | 0.0000 | 8,869.0000 |

Note: **Add to sort** means that the initial sorting done by role still holds, so the sort on minimum values takes place within each sorted role group.

4. Select the following **interval** input variables:

(Scroll back to the left to find the Variable Name column. You select 22 interval input variables.)

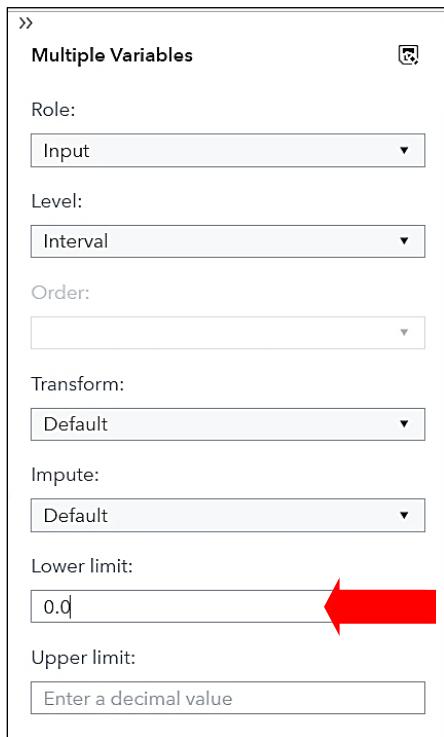
- tot_mb_data_roam_curr
- seconds_of_data_norm
- lifetime_value
- bill_data_usg_m03
- bill_data_usg_m06
- voice_tot_bill_mou_curr
- tot_mb_data_curr
- mb_data_usg_roamm01 through mb_data_usg_roamm03
- mb_data_usg_m01 through mb_data_usg_m03
- calls_total
- call_in_pk
- calls_out_pk
- call_in_offpk
- calls_out_offpk
- mb_data_ndist_mo6m
- data_device_age
- mou_onnet_pct_MOM
- mou_total_pct_MOM

Note: Selecting the check box of a variable and then selecting another variable while holding down the Shift key selects those two variables and all the variables between them.

Note: You can drag and drop the Minimum column to the left, closer to the Variable Name column so that you can see the Minimum column along with the variable names.

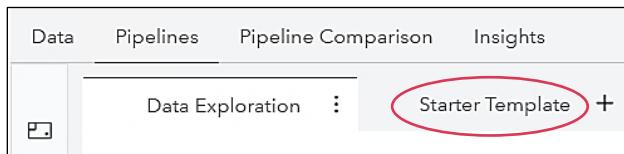
- In the right pane, enter **0.0** in the **Lower Limit** field in the Multiple Variables window. This specifies the lower limit to be used in the Filtering and Replacement nodes with the Metadata limits method.

Note: This is customer billing data, and negative values often imply that there is a credit applied to the customer's account. So it is not outside the realm of possibility that there are negative numbers in these columns. However, there is a general practice to convert negative values to zeros in telecom data.

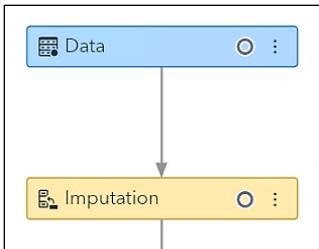


Note that you did not edit any variable values. Instead, you have just set a metadata property that can be invoked.

- Click the **Pipelines** tab.
- Select the **Starter Template** pipeline.



Notice that because of the change in metadata, the green check marks in the nodes in the pipeline have been changed to gray circles. This indicates that the nodes need to be rerun to reflect the change in metadata. The nodes will show the green check marks again when the pipeline is rerun.

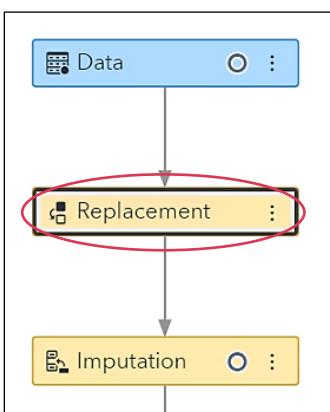


8. Expand the **Nodes** pane on the left side of the canvas.
9. Expand **Data Mining Preprocessing**.

▼ Data Mining Preprocessing

- ⌚ Anomaly Detection
- شب Clustering
- ☒ Feature Extraction
- ⌚ Feature Machine
- ⋮
- FilterWhere
- ⌚ Imputation
- ⌚ Interactive Grouping
- grid Manage Variables
- ⌚ Reject Inference
- ⌚ Replacement
- T Text Mining
- f Transformations
- ✿ Variable Clustering
- grid Variable Selection

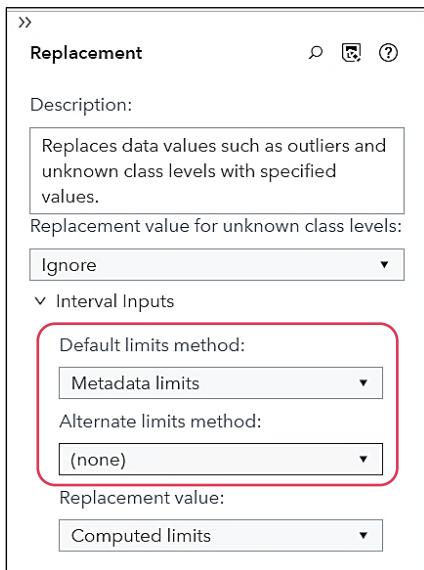
10. Click and drag the **Replacement** node and drop it ***between*** the Data node and the Imputation node.



The Replacement node can be used to replace outliers and unknown class levels with specified values. This is where you invoke the metadata property of the lower limit that you set before.

11. In the options panel on the right side, complete the following for the Interval Variables section:

- Set **Default limits method** to **Metadata limits**.
- Change **Alternate limits method** to **(none)**. This property specifies the alternate method by which the lower and upper limits are derived for interval variables when **Metadata limits** is the default limits method and the metadata limits are missing.
- Leave **Replacement value** as the default, **Computed limits**. Another option is **Missing value**.



12. Right-click the **Replacement** node and select **Run**. Negative values are replaced with zeros in the training partition of the data.

13. View the results of the Replacement node. The Interval Variables table shows which variables now have a lower limit of 0.

| Name | Variable Label | Replace Variable | Limits Method | Lower Limit | Upper Limit | Replacement ... | Lower Rep |
|----------------------|--|--------------------------|---------------|-------------|-------------|-----------------|-----------|
| BILL_DATA_USG_M03 | 3M Avg Billed Data Usage | REP_BILL_DATA_USG_M03 | METALIMIT | 0 | . | COMPUTED | |
| BILL_DATA_USG_M06 | 6M Avg Billed Data Usage | REP_BILL_DATA_USG_M06 | METALIMIT | 0 | . | COMPUTED | |
| CALLS_IN_OFFPK | Calls Incoming Off-Peak | REP_CALLS_IN_OFFPK | METALIMIT | 0 | . | COMPUTED | |
| CALLS_IN_PK | Calls Incoming Peak | REP_CALLS_IN_PK | METALIMIT | 0 | . | COMPUTED | |
| CALLS_OUT_OFFPK | Calls Outgoing Off-Peak | REP_CALLS_OUT_OFFPK | METALIMIT | 0 | . | COMPUTED | |
| CALLS_OUT_PK | Calls Outgoing Peak | REP_CALLS_OUT_PK | METALIMIT | 0 | . | COMPUTED | |
| CALLS_TOTAL | Total Calls Curr | REP_CALLS_TOTAL | METALIMIT | 0 | . | COMPUTED | |
| DATA_DEVICE_AGE | Avg Age of Devices on Plan | REP_DATA_DEVICE_AGE | METALIMIT | 0 | . | COMPUTED | |
| LIFETIME_VALUE | Lifetime Value | REP_LIFETIME_VALUE | METALIMIT | 0 | . | COMPUTED | |
| MB_DATA_NDIST_MO_6M | 6M Avg Billed Data Usage Normally Distributed | REP_MB_DATA_NDIST_MO6M | METALIMIT | 0 | . | COMPUTED | |
| MB_DATA_USG_M01 | MB Data Usage 1 Mth Prior | REP_MB_DATA_USG_M01 | METALIMIT | 0 | . | COMPUTED | |
| MB_DATA_USG_M02 | MB Data Usage 2 Mths Prior | REP_MB_DATA_USG_M02 | METALIMIT | 0 | . | COMPUTED | |
| MB_DATA_USG_M03 | MB Data Usage 3 Mths Prior | REP_MB_DATA_USG_M03 | METALIMIT | 0 | . | COMPUTED | |
| MB_DATA_USG_ROA_MM01 | MB Data Usage Roam 1 Mth Prior | REP_MB_DATA_USG_ROAMM_01 | METALIMIT | 0 | . | COMPUTED | |
| MB_DATA_USG_ROA | MB Data Usage Roam 2 | REP_MB_DATA_USG_ROAMM | METALIMIT | 0 | . | COMPUTED | |

14. Close the results window of the Replacement node.

15. To update the remainder of the results of the pipeline, click **Run Pipeline**.

16. Right-click the **Model Comparison** node and select **Results**.

Model performance can be seen in the Model Comparison table.

| Model Comparison | | | | |
|------------------|---------------------|---------------------|-------------|------------------------|
| Champion | Name | Algorithm Name | KS (Younen) | Misclassification Rate |
| ☒ | Logistic Regression | Logistic Regression | 0.5750 | 0.0668 |

17. Select **Close** to return to the pipeline.

End of Demonstration

2.02 Multiple Choice Question

Which of the following statements is **true** while defining metadata in Model Studio?

- a. The Data tab enable you to edit variable values by changing the lower limit or the upper limit (or both).
- b. The Replacement node cannot replace outliers and unknown class levels unless you specify the metadata prior to this node.
- c. Metadata properties can be defined either on the Data tab or in the Manage Variables node and then can be invoked by using an appropriate node.
- d. none of the above

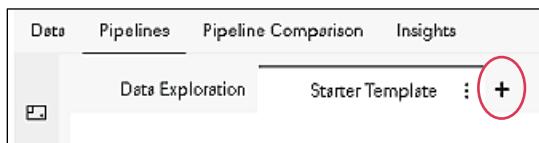


Alternate Method for Modifying and Correcting Source Data Using the Manage Variables Node (Self-Study)

In addition to using the Data tab, the Manage Variables node is another powerful tool that can be used to modify and correct data. The Manage Variables node is used directly within a pipeline.

Note: On the classroom computers, the Data tab should be used to modify and correct source data as described in the previous demonstration. That method is needed for other classroom requirements. This demonstration provides another means of assigning metadata rules to data. ***One drawback to the method shown in this demonstration is that rules defined in the Manage Variables node are not saved if the pipeline is saved to the Exchange.***

1. Return to the **Demo** project and click the **Pipelines** tab. Click the plus sign (+) next to the Starter Template tab to add a new pipeline.



2. In the New Pipeline window, enter **Lesson 2 – Self Study** in the **Name** field. For the **Template**, click **Browse**.

New Pipeline

Name *

Description:

Select a pipeline template

Blank template | Browse

Automatically generate the pipeline

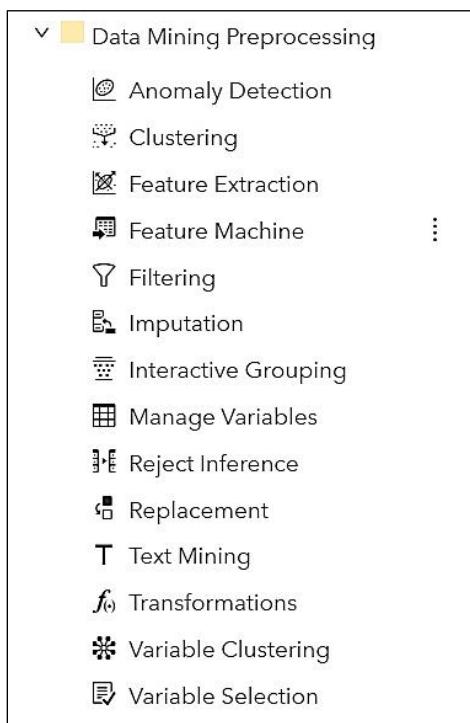
Set automation time limit

15 minutes

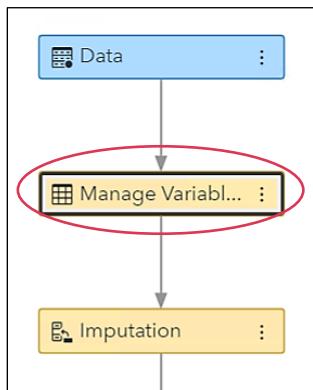
3. Scroll down as needed in the Browse Template window and select **Basic template for class target**. Click **OK**.

| Browse Templates | | | | |
|---|--|--------------|--------------------------|--|
| Template Name | Description | Owner | Last Modified | |
| Advanced template for class target | Data mining pipeline that extends the intermediate template for a class target by adding neural network, forest, and gradient boosting models. An ensemble model is also provided. | SAS Pipeline | Apr 18, 2019, 8:38:54 PM | |
| Advanced template for class target with autotuning | Data mining pipeline for a class target that contains autotuned tree, forest, and gradient boosting models. | SAS Pipeline | Apr 18, 2019, 8:38:45 PM | |
| Advanced template for interval target | Data mining pipeline that extends the intermediate template for an interval target by adding neural network, forest, and gradient boosting models. An ensemble model is also provided. | SAS Pipeline | Apr 18, 2019, 8:39:08 PM | |
| Advanced template for interval target with autotuning | Data mining pipeline for an interval target that contains autotuned tree, forest, neural network, and gradient boosting models. | SAS Pipeline | Apr 18, 2019, 8:39:03 PM | |
| Basic template for class target | Data mining pipeline that contains a Data, Imputation, Logistic Regression, and Model Comparison node connected in a linear flow. | SAS Pipeline | Apr 18, 2019, 8:39:18 PM | |
| Basic template for interval target | Data mining pipeline that contains a Data, Imputation, Linear Regression, and Model Comparison node connected in a linear flow. | SAS Pipeline | Apr 18, 2019, 8:39:20 PM | |
| Blank template | Data mining pipeline that contains only a data node. | SAS Pipeline | Apr 18, 2019, 8:39:24 PM | |
| CPML demo pipeline | This pipeline was created in the CPML class. It includes a logistic regression model and some data preparation. | sasdemo | May 9, 2019, 4:26:33 PM | |
| Feature engineering template | Data mining pipeline that performs feature engineering. | SAS Pipeline | Apr 18, 2019, 8:39:13 PM | |
| Intermediate template for class target | Data mining pipeline that extends the basic template for a class target by adding a stepwise logistic regression model and a decision tree. | SAS Pipeline | Apr 18, 2019, 8:39:30 PM | |
| Intermediate template for interval target | Data mining pipeline that extends the basic template for an interval target by adding a stepwise linear regression model and a decision tree. | SAS Pipeline | Apr 18, 2019, 8:39:33 PM | |

4. Click **OK** in the New Pipeline window.
 5. Expand the **Nodes** pane on the left side of the canvas.
 6. Expand **Data Mining Preprocessing**.



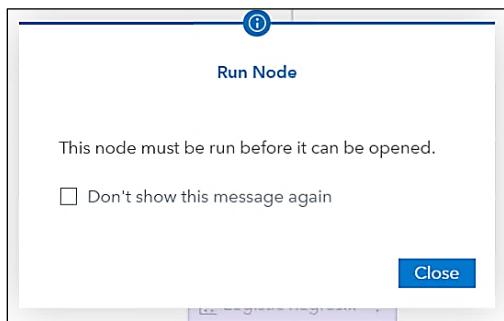
7. Click and drag the **Manage Variables** node and drop it **between** the Data node and the Imputation node.



Note: Notice that after the Manage Variables node is placed in the pipeline, any nodes beneath it in the same path change in appearance from showing a green check mark to showing a gray circle. This indicates that they require a rerun.

The Manage Variables node is a preprocessing node that enables you to make modifications to the metadata while it is within a Model Studio pipeline.

You see a window indicating that the node must be run before it can be opened.



8. Click **Close** in the Run Node window.
9. Right-click the **Manage Variables** node and select **Run**.
This reads the observations and variables and sets up the incoming variables before modifying their metadata.
10. After the node runs, right-click the node again and select the **Manage Variables** option.

11. In the Manage Variables window, right-click the **Role** column and select **Sort** \Rightarrow **Sort (ascending)**.

| Role | Level | Order | Co |
|-------|----------------------|---------|----|
| Input | Resize | Default | |
| Input | Resize column to fit | | |
| Input | Freeze | | |
| Input | Sort > | | |
| Input | Filter | | |
| Input | Interval | | |

12. Scroll to the right. Right-click the **Minimum** column and select **Sort** \Rightarrow **Add to sort (ascending)**.

| Missing | Minimum | Maximum |
|---------|---------|------------|
| 0.0000 | 471.0 | 87 |
| 0.0000 | 0.0 | 3 |
| 0.0000 | 0.0 | 0.0 |
| 0.0000 | 0.0 | 0.0 |
| 0.0000 | 0.0 | 0.0 |
| 0.0000 | 0.0 | 0.0 |
| 0.0000 | 0.0 | 0.0 |
| 0.0000 | 0.0 | 0.0 |
| 0.0000 | 0.0 | 0.0 |
| 1.5860 | 0.0000 | 8.869.0000 |

13. Modify the following properties of the variables specified:

- a. To modify the metadata of a variable in the Manage Variables window, first select the desired variable. (You might want to select several variables at one time.)

Select the following *interval* input variables:

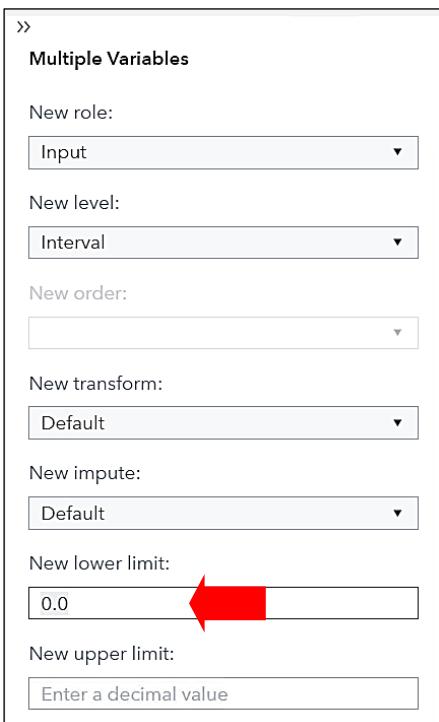
- **tot_mb_data_roam_curr**
- **seconds_of_data_norm**
- **lifetime_value**
- **bill_data_usg_m03**
- **bill_data_usg_m06**
- **voice_tot_bill_mou_curr**
- **tot_mb_data_curr**
- **mb_data_usg_roamm01** through **mb_data_usg_roamm03**
- **mb_data_usg_m01** through **mb_data_usg_m03**
- **calls_total**
- **call_in_pk**
- **calls_out_pk**
- **call_in_offpk**

- calls_out_offpk
- mb_data_ndist_mo6m
- data_device_age
- mou_onnet_pct_MOM
- mou_total_pct_MOM

(Scroll back to the left to find the Variable Name column. You select 22 interval input variables.)

Note: Selecting the check box of a variable and then selecting another variable while holding down the Shift key selects those two variables and all the variables between them.

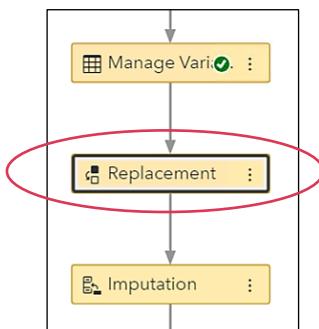
- b. In the right pane, enter **0.0** in the **New lower limit** field in the Multiple Variables window.



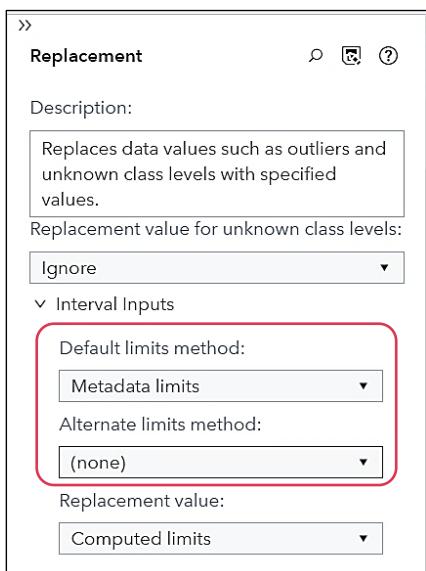
No variable values were edited. Instead, a metadata property has been defined that can be invoked by using an appropriate node.

14. Select **Close** to exit the Manage Variables window.

15. Click and drag the **Replacement** node and drop it ***between*** the Manage Variables node and the Imputation node.



16. In the options panel on the right side, complete the following for Interval Variables:
- Set **Default limits method** to **Metadata limits**.
 - Change **Alternate limits method** to **None**.
 - Leave **Replacement value** as the default, **Computed limits**.

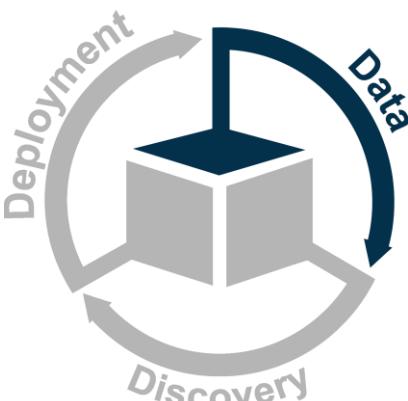


17. Right-click the **Replacement** node and select **Run**. Negative values are replaced with zeros in the training partition of the data.
18. Close the results window of the Replacement node.

End of Demonstration

2.2 Feature Extraction

Essential Data Tasks

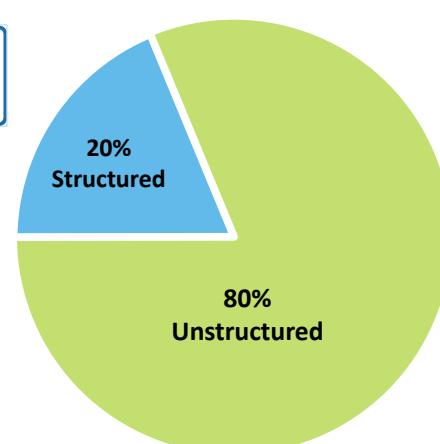


- Divide the data.
- Address rare events.
- Manage missing values.
- Add unstructured data.
- Extract features.
- Handle extreme or unusual values.
- Select useful inputs.

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Text Mining



Unlocking the 80%!
Text mining helps extract meanings, patterns, and structure hidden in unstructured textual data.

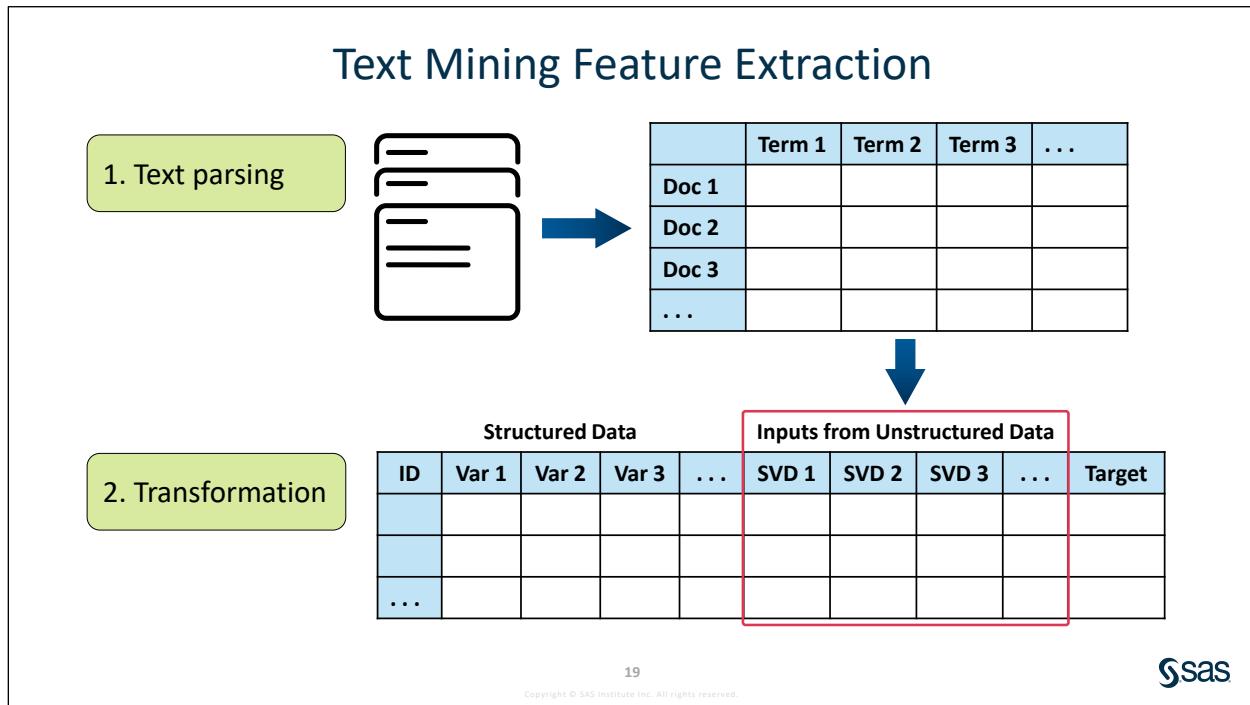


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Organizations today are generating and storing tremendous amounts of data. IDC has estimated that up to 80% of that is *unstructured*—that is, information that either does not have a predefined data model or is not organized in a predefined way. Unstructured data includes formats such as audio, images, video, and textual content. Although this type of information is often rich with insights, unlocking the full potential within these complex data sources can be tricky. Much of the big data explosion is due to the rapid growth of unstructured data!

Source: *IDC Digital Universe Study, sponsored by EMC, May 2010.*

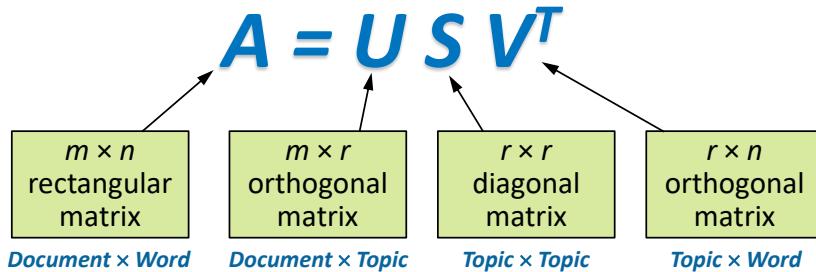


Unstructured free-form text data are commonly available in business. For example, survey results, call center logs, product reviews, social media feeds, blogs, customer feedback, and other text data contain information useful for predictive modeling outcomes that is not readily available in structured data. It is therefore extremely informative to analyze these combined text data sources and use them along with the structured data.

The Text Mining node in Model Studio enables you to process text data in a document collection. Often, you might be able to improve the predictive ability of your models that use only numerical data if you add selected text mining results (clusters or SVD values) to the numerical data. Data are processed in two phases: text parsing and transformation. Text parsing processes textual data into a term-by-document frequency matrix. Transformations such as singular value decomposition (SVD) alter this matrix into a data set that is suitable for data mining purposes. A document collection with thousands of documents and terms can be represented in a compact and efficient form.

Singular Value Decomposition (SVD)

- SVD projects the high-dimensional document and term spaces into a lower-dimension space.
- SVD is a method of decomposing a matrix into three other matrices:



- The singular values can be thought of as providing a measure of importance used to decide how many dimensions to keep.

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Consider A to be a term-document matrix with m terms and n documents. (Typically, $m > n$. That is, there are more terms than documents.) The SVD theorem states that the term-document matrix (and, in fact, **any** rectangular matrix of real or complex values) can always be decomposed into the product of three matrices. Below are the details:

- A is the real $m \times n$ matrix that you want to decompose.
- U is an $m \times r$ matrix that contains the left singular vectors and satisfying the orthogonality condition $U^T U = I_{r \times r}$.
- r is the rank of the matrix A .
- $I_{r \times r}$ is an $r \times r$ identity matrix.
- S is an $r \times r$ diagonal matrix consisting of r positive “singular values” $s_1 \geq s_2 \geq \dots \geq s_r > 0$.
- V is an $r \times n$ matrix that contains the right singular vectors and satisfies the orthogonality condition $V V^T = I_{r \times r}$.
- T signifies the transpose of a matrix.

Details: SVD

This brief discussion is based on the very helpful paper “Taming Text with the SVD” (recommended reading and readily available for downloading from the internet) by Dr. Russ Albright of SAS R&D. The most relevant aspects of the SVD theorem are presented for dimension reduction, followed by an example. If you do not understand the abstract explanations, the concrete example at least gives you the “flavor” of what is happening.

Russ Albright’s example consists of three documents:

- Doc 1: Error: invalid message file format
- Doc 2: Error: unable to open message file using message path
- Doc 3: Error: unable to format variable

These three documents generate the following 11×3 term-document matrix \mathbf{A} .

| | | doc 1 | doc 2 | doc 3 |
|---------|----------|-------|-------|-------|
| Term 1 | error | 1 | 1 | 1 |
| Term 2 | invalid | 1 | 0 | 0 |
| Term 3 | message | 1 | 2 | 0 |
| Term 4 | file | 1 | 1 | 0 |
| Term 5 | format | 1 | 0 | 1 |
| Term 6 | unable | 0 | 1 | 1 |
| Term 7 | to | 0 | 1 | 1 |
| Term 8 | open | 0 | 1 | 0 |
| Term 9 | using | 0 | 1 | 0 |
| Term 10 | path | 0 | 1 | 0 |
| Term 11 | variable | 0 | 0 | 1 |

With the right software (for example, PROC IML), it is very easy to compute the SVD decomposition for this example and obtain the separate matrices \mathbf{U} , \mathbf{S} , and \mathbf{V} .

The product $\mathbf{U}^T \mathbf{A}$ produces the SVD projections of the original document vectors. These are the document SVD input values (COL columns) that you will see in the next demonstration produced by the Text Mining node (except that they are normalized for each document as explained later).

This amounts to forming linear combinations of the original (possibly weighted) term frequencies for each document.

First project the first document vector d_1 into a three-dimensional SVD space by the matrix multiplication:

$$\mathbf{U}^T d_1 = \begin{vmatrix} 0.43 & 0.11 & 0.55 & 0.33 & 0.21 & 0.31 & 0.31 & 0.22 & 0.22 & 0.22 & 0.09 \\ 0.30 & 0.13 & -0.37 & -0.12 & 0.55 & 0.18 & 0.18 & -0.25 & -0.25 & -0.25 & 0.43 \\ 0.11 & 0.52 & 0.2 & 0.36 & 0.27 & -0.41 & -0.41 & -0.16 & -0.16 & -0.16 & -0.25 \end{vmatrix} * \begin{vmatrix} 1 \\ 1 \\ 1 \\ 1 \\ 1 \\ 0 \\ 0 \\ 0 \\ 0 \\ 0 \\ 0 \end{vmatrix}$$

\mathbf{U}^T was obtained using the SVD matrix function in PROC IML applied to matrix \mathbf{A} .

d_1 is the term-frequency vector for document 1.

The product of the 3×11 \mathbf{U}^T matrix with the 11×1 term-frequency vector d_1 for doc 1 gives the following:

$$\mathbf{U}^T d_1 = \hat{d}_1 = \begin{vmatrix} 1.63 \\ 0.49 \\ 1.45 \end{vmatrix}$$

And then write this in transposed form with column labels:

$$\hat{d}_1^T = \begin{vmatrix} \text{SVD1} & \text{SVD2} & \text{SVD3} \\ 1.63 & 0.49 & 1.45 \end{vmatrix}$$

The SVD dimensions are ordered by the size of their singular values (their *importance*). Therefore, the document vector can simply be truncated to obtain a lower-dimensional projection:

The 2-D representation for doc 1 is $\begin{matrix} \text{SVD1} & \text{SVD2} \\ | & | \\ 1.63 & 0.49 \end{matrix}$.

As a final step, these coordinate values are normalized so that the sums of squares for each document are 1.0:

Using this document's 2-D representation, $1.63^2 + 0.49^2 = 2.847$ and $\sqrt{2.897} = 1.70$.

Therefore, the final 2-D representation for doc 1 would be $\begin{matrix} \text{SVD1} & \text{SVD2} \\ | & | \\ 0.96 & 0.29 \end{matrix}$.

These are the SVD1 and SVD2 values that you would see for this document. A similar calculation is performed for the other two documents.



Adding Text Mining Features

In this demonstration, you create new features using the Text Mining node. The **commsdata** data has five text variables. You use the text variable **verbatimis**, which represents free-form, unstructured data from a customer survey.

Of the four text variables not used in this demonstration, two are already rejected and two require a metadata change to be rejected. The variables **call_center** and **issue_level1** already have roles of Rejected, but the roles for **issue_level2** and **resolution** need to be changed to **Rejected**.

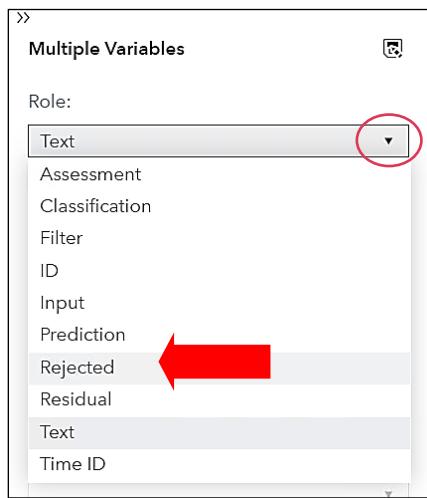
1. Click the **Data** tab. Verify that previously selected variables are deselected.
2. Right-click the **Role** column and select **Sort** \Rightarrow **Sort (ascending)**.

| Role | Level | Order | Co |
|-------|----------------------|--|----|
| Input | Resize | Default | |
| Input | Resize column to fit | Default | |
| Input | Freeze | Default | |
| Input | Sort > | Add to sort (ascending) | |
| Input | Filter | Add to sort (descending) | |
| Input | Interval | Sort (ascending) | |
| Input | Interval | Sort (descending) | |
| Input | Interval | Remove sort | |
| Input | Interval | Default | |

3. Scroll until the end of the list. All the unrejected Text variables are listed together. Select **issue_level2** and **resolution**.

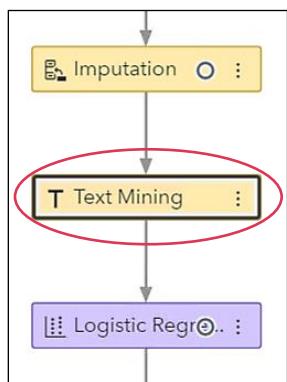
| | | | | | | |
|-------------------------------------|--------------|---------------------------|-----------|--------|---------|---------|
| <input type="checkbox"/> | churn | Churn Flag | Numeric | Target | Binary | Default |
| <input checked="" type="checkbox"/> | issue_level2 | Call Center Issue Level 2 | Character | Text | Nominal | Default |
| <input checked="" type="checkbox"/> | resolution | Final Resolution | Character | Text | Nominal | Default |
| <input type="checkbox"/> | verbatimis | Survey Verbatim | Character | Text | Nominal | Default |

In the pane on the right, change the role from **Text** to **Rejected**.



This ensures that only the **verbatim**s variable is used as an input for the Text Mining node.

4. Return to the Starter Template pipeline. (Click the **Pipelines** tab and then select **Starter Template**.)
5. From the pane on the left, drag and drop a **Text Mining** node *between* the Imputation node and the Logistic Regression node.



6. Right-click the **Text Mining** node and select **Run**.

Note: To score new data using your text mining features, you might find it useful to save the ASTORE binaries that contain the Text Mining score code. After you save the ASTORE file, you can use it to score new text data in SAS Studio.

7. Open the results of the Text Mining node. Many windows are available, including the Kept Terms and Dropped Terms tables. These tables include terms used and ignored, respectively, during the text analysis.

| Kept Terms | | | | | Dropped Terms | | | | |
|------------|------|-----------|--------|---------------|---------------|------|-----------|--------|---------------|
| Term | Role | Attribute | Freq | Number of ... | Term | Role | Attribute | Freq | Number of ... |
| very | ADV | Alpha | 12,169 | 10,489 | + be | V | Alpha | 47,192 | 28,030 |
| + service | N | Alpha | 9,157 | 7,970 | + have | V | Alpha | 14,780 | 10,197 |
| not | ADV | Alpha | 7,828 | 6,136 | + do | V | Alpha | 5,445 | 4,575 |
| mtt | PN | Alpha | 7,023 | 6,034 | + get | V | Alpha | 5,299 | 4,486 |
| + phone | N | Alpha | 6,263 | 4,949 | + will | V | Alpha | 5,097 | 4,262 |
| helpful | A | Alpha | 5,023 | 4,946 | t | N | Alpha | 4,908 | 4,057 |
| + customer | N | Alpha | 5,579 | 4,901 | + can | V | Alpha | 3,699 | 3,254 |
| + good | A | Alpha | 3,860 | 3,663 | i | N | Alpha | 2,992 | 1,975 |

Stop lists are automatically included and applied for all supported languages in the Text Mining node.

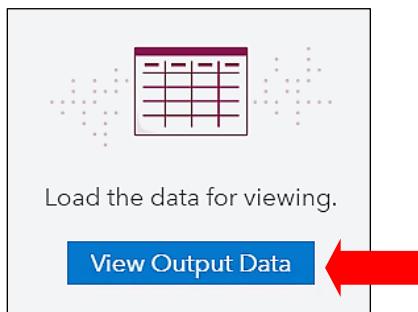
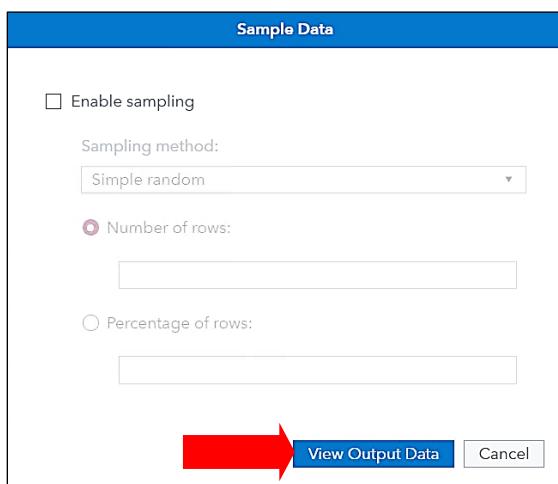
Note: The plus sign next to a word indicates stemming (for example, +service might represent service, services, serviced, and so on).

8. Expand the **Topics** table. This table shows topics created by the Text Mining node.

Topics are created based on groups of terms that occur together in several documents. Each term-document pair is assigned a score for every topic. Thresholds are then used to determine whether the association is strong enough to consider whether that document or term belongs in the topic. Because of this, terms and documents can belong to multiple topics.

| Topics | | | Term Cutoff |
|----------|---|--|-------------|
| Topic ID | Topic | | |
| 1 | helpful,very,+great,pleasant,+year | | 0.0120 |
| 2 | very,professional,+happy,pleasant,+great | | 0.0130 |
| 3 | ok | | 0.0120 |
| 4 | +great,always | | 0.0120 |
| 5 | +thank,great,+help | | 0.0120 |
| 6 | +good,+keep,+job,very,+good experience | | 0.0120 |
| 7 | +good,all,overall,mtt | | 0.0120 |
| 8 | mtt,+love,+happy,+love,expensive | | 0.0130 |
| 9 | +rep,mtt,pleasant,+understand,ever | | 0.0120 |
| 10 | +customer,+customer service,mtt,+mtt customer,+good | | 0.0120 |
| 11 | +friendly,helpful,very,+customer,professional | | 0.0120 |
| 12 | +satisfy,very,mtt,+customer,thanks | | 0.0120 |
| 13 | +year,many,mtt,don,ever | | 0.0130 |
| 14 | +speak,+understand,english,don,+wait | | 0.0130 |
| 15 | +great,+service,+job,+experience,excellent | | 0.0120 |

Because 15 topics were discovered, 15 new columns of inputs are created. The output columns contain SVD scores that can be used as inputs for the downstream nodes.

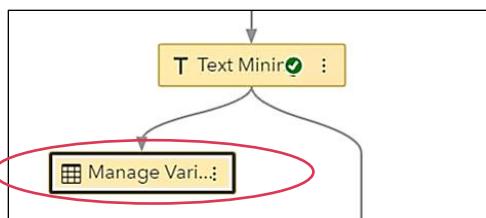
9. Click the **Output Data** tab.10. Click **View Output Data**.11. Click **View Output Data** again. In this step, you can choose to create a sample of the data to be viewed.12. Scroll to the right until you see column headings for variables that begin **Score for....**. These columns represent the topics created by the Text Mining node.

The SVD coefficients (scores) are shown for the 15 topics discovered, for each observation in the data set. Those columns are passed along for the following nodes.

| Score for "help..." | Score for "very...." | Score for "ok" | Score for "+gre..." | Score for "+tha..." | Score for "+go..." | Score for "+go..." | Score for "mtt, ..." | Score for "+ |
|---------------------|----------------------|----------------|---------------------|---------------------|--------------------|--------------------|----------------------|--------------|
| 0.0088484081 | 0.0155944936 | 0 | 0 | 0 | 0.0137641904 | 0.006390517 | 0.4873902135 | 0.019593 |
| 0.7228294078 | 0.0192373007 | 0 | 0 | 0 | 0.0009222238 | 0 | -0.069680637 | 0.018514 |
| 0.0426747401 | 0.0464864424 | 0 | 0 | 0 | 0 | 0 | -0.017024233 | |
| -0.015232321 | -0.009921971 | 0 | 0 | 0 | -0.001956445 | 0 | 0 | -0.00503 |
| 0.9564256717 | 0.1724385141 | 0 | 0 | 0 | 0.0273992444 | 0 | -0.029918511 | 0.017226 |
| -0.012620844 | -0.01217 | 0 | 0 | 0 | -0.002113287 | 0 | -0.001893339 | -0.00012 |
| 0.0009252928 | 0.0759333235 | 0 | 0 | 0 | 0 | 0 | 0.0438690018 | |
| -0.001084168 | -0.003438516 | 0 | 0 | 0 | 0.0580672916 | 0 | -0.002023504 | |
| 0.3988772328 | 0.0147461667 | 0 | 0 | 0 | 0.0069111462 | 0 | -0.024793593 | 0.007442 |
| 0 | 0 | 0 | 0.999 | 0 | 0 | 0 | 0 | |
| 0.0085410006 | 0.0447793059 | 0 | 0 | 0 | 0.0030407751 | 0 | -0.002012278 | 0.003336 |
| 0.000571843 | 0.0023526996 | 0 | 0 | 0 | 0.0040186736 | 0 | -0.000251053 | |

13. Close the Results window.
14. Alternatively, use the Manage Variables node to see that 15 new interval input columns were added to the data. Right-click the **Text Mining** node and select **Add child node** \Rightarrow **Data Mining Preprocessing** \Rightarrow **Manage Variables**.

Click **Close** in the Run Node window when it appears.



15. Run the **Manage Variables** node and view the results when the run is complete. Expand the **Incoming Variables** table. At the top of the Incoming Variables table are the 15 new columns representing the dimensions of the SVD calculations based on the 15 topics discovered by the Text Mining node.

| Incoming Variables | | | | | | | | | | | | |
|--------------------|---------------|-------|-------------------|-------|---|-------|--------------------------|--------------------|--------------|--------------|--------------|--------------------|
| Obs | Variable Name | Role | Measurement Level | Order | Label | Count | Number of Missing Values | Percentage Missing | Minimum | Maximum | Mean | Standard Deviation |
| 1 | COL1 | INPUT | INTERVAL | | Score for "helpful, very, +great, pleasant, +year" | 254 | 0 | 0.0000 | -0.12443128 | 0.971341152 | 0.0423567414 | 0.1534318549 |
| 2 | COL10 | INPUT | INTERVAL | | Score for "+customer, +customer service, mtt, +mtt customer, +good" | 254 | 0 | 0.0000 | -0.050883181 | 0.992613074 | 0.0188881575 | 0.0940916412 |
| 3 | COL11 | INPUT | INTERVAL | | Score for "+friendly, helpful, very, +customer, professional" | 254 | 0 | 0.0000 | -0.02 | 0.986 | 0.019837951 | 0.0874037383 |
| 4 | COL12 | INPUT | INTERVAL | | Score for "+satisfy, very, mtt, +customer, thanks" | 254 | 0 | 0.0000 | -0.041484047 | 0.95 | 0.024914643 | 0.0939615996 |
| 5 | COL13 | INPUT | INTERVAL | | Score for "+year, many, mtt, don, ever" | 254 | 0 | 0.0000 | -0.036293209 | 0.962 | 0.013951352 | 0.0730119085 |
| 6 | COL14 | INPUT | INTERVAL | | Score for "+year, many, mtt, don, ever" | 254 | 0 | 0.0000 | 0.0000000000 | 0.0000000000 | 0.0423567414 | 0.0730119085 |

These 15 columns (**COL1** through **COL15**) serve as new interval inputs for subsequent models.

16. Restore the view of the Incoming Variables table and close the results.
17. To run the entire pipeline, click **Run pipeline**.
18. Open the results of the Model Comparison node.

| Model Comparison | | | | | |
|------------------|---------------------|---------------------|------------|------------------------|--|
| Champion | Name | Algorithm Name | KS (Yoden) | Misclassification Rate | |
| | Logistic Regression | Logistic Regression | 0.5750 | 0.0668 | |

The model does not necessarily improve. Explore the results of the final regression model and see whether it contains any of the text variables.

19. Close the results of the Model Comparison node.
20. Open the results of the Logistic Regression model.

21. Scroll down in the results until you see the Output window. Expand the window.

22. Scroll down in the Output window until you see the Selection Summary table.

| Selection Summary | | | | |
|-------------------|----------------------------|-------------------|-------------------|-------------|
| Step | Effect Entered | Effect Removed | Number Effects In | SBC |
| 0 | Intercept | | 1 | 29271.0671 |
| 1 | curr_days_susp | | 2 | 23386.2673 |
| 2 | handset_age_grp | | 3 | 22296.4661 |
| 3 | ever_days_over_plan | | 4 | 21203.3244 |
| 4 | pymts_late_ltd | | 5 | 20872.1744 |
| 5 | avg_days_susp | | 6 | 20455.1661 |
| 6 | times_susp | | 7 | 20242.5395 |
| 7 | ever_times_over_plan | | 8 | 20000.0625 |
| 8 | REP_SECONDS_OF_DATA_NORM | | 9 | 19775.3601 |
| 9 | delinq_indicator | | 10 | 19628.8592 |
| 10 | calls_care_ltd | | 11 | 19532.7439 |
| 11 | wrk_orders | | 12 | 19461.7254 |
| 12 | MB_Data_Usg_M08 | | 13 | 19415.9453 |
| 13 | IMP_REP_MB_DATA_NDIST_MO6M | | 14 | 19376.9424 |
| 14 | IMP_REP_MOU_ONNET_PCT_MOM | | 15 | 19367.5368 |
| 15 | bill_data_usg_m09 | | 16 | 19367.3114 |
| 16 | | bill_data_usg_m09 | 15 | 19358.7070* |

* Optimal Value Of Criterion

Stepwise selection stopped because adding or removing an effect does not improve the SBC criterion.

The model at step 16 is selected where SBC is 19358.71.

The table shows that none of the columns created by the Text Mining node enter the model during the stepwise selection process. It would be interesting to see whether these columns are used in some other predictive models.

23. Restore the view of the Output window and close the Results window.

End of Demonstration

2.03 Multiple Choice Question

Which of the following statements is **true** about the Text Mining node?

- a. It enables you to process audio/video data in a media collection.
- b. It does not allow terms and documents to belong to multiple topics.
- c. It transforms term-by-document frequency matrix using singular value decomposition (SVD) to provide binary variables.
- d. It creates topics based on groups of terms that occur together in several documents. Each term-document pair is assigned a score for every topic.

Other Options: The Feature Extraction Node (Self-Study)

Feature Extraction Node

The Feature Extraction node creates new features from the initial set of data. These features encapsulate the central properties of a data set and represent it in a low-dimensional space.

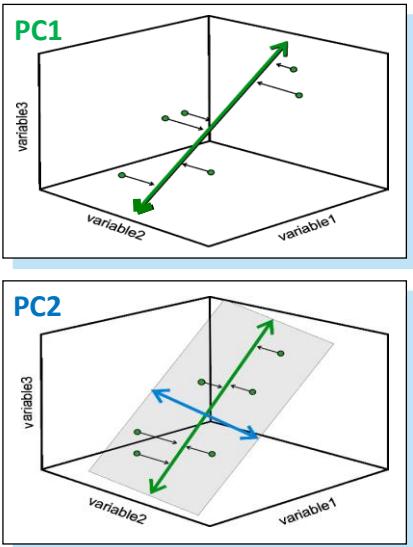
The node offers four methods:

- singular value decomposition (SVD)
- principal component analysis (PCA)
- robust principal component analysis (RPCA)
- autoencoder

Apart from the text data, the initial (structured) data set of raw features might be too large and unwieldy to be effectively managed, requiring an unreasonable amount of computing resources. Alternatively, the data set might be too robust, causing a classification algorithm to overfit, and providing poor extrapolation in the event of new observations. In either case, the Feature Extraction node can be used to provide a more manageable, representative subset of input variables.

Feature extraction is the process of transforming the existing features into a lower-dimensional space, typically generating new features that are composites of the existing features. SVD is such a technique and has already been discussed. There are many other techniques that reduce dimensionality through such a transformation process, including those discussed on the following slides and pages.

Principal Component Analysis (PCA)



- Principal components are constructed as linear transformations of the input variables.
- The first principal component (PC1) is constructed in such a way that it captures as much of the variation in the input variables set as possible.
- The second principal component (PC2) is orthogonal to PC1 and captures as much as possible of the variation in the input data not captured by PC1.
- And so on ...

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You can deploy a variety of techniques to correct for (or perhaps more accurately, take advantage of) the distribution flattening. One of the most common statistical approaches is that of *principal component analysis (PCA)*. PCA attempts to find a series of orthogonal vectors that better describe the directions of variation in the data than the original inputs do. (A geometric interpretation of orthogonal is that the vectors are perpendicular. A statistical interpretation is that the vectors are uncorrelated.) The goal is to be able to characterize most of the variation in the data with as few vectors as possible.

PCA starts by searching the data's standardized joint distribution for the direction of maximum variation. When found, this direction is labeled the *first principal component*, or *first eigenvector*.

The effect of the first principal component can be removed by projecting the data to a lower dimensional subspace perpendicular to the first principal component.

The difference between the dimension of the original distribution (that is, the number of inputs) and the effective dimension of the projected points is called the *first eigenvalue*.

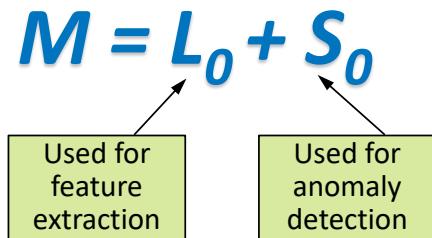
The data, projected to remove variation in the direction of the first principal component, are again searched for the direction of maximum variation. When identified, this direction is labeled the *second principal component*. The corresponding second eigenvalue can be calculated by again projecting (the data already projected in the first step) along the direction of the second principal component and determining the difference in dimension between the once and twice projected data.

The process of identifying directions of variability, projecting, and calculating eigenvalues continues until the sum of the eigenvalues calculated at each step is close to the dimension of the original input space. This is a common stopping rule: **How many unique components exist in the data?** There are as many components as it takes to ensure that the sum of the eigenvalues is greater than 80% or 90% of the input count.

In the presence of redundant inputs, most of the data variability can be described by a few independent principal component vectors.

Robust Principal Component Analysis (RPCA)

RPCA decomposes an input matrix into a sum of two matrices: a low-rank matrix and a sparse matrix.

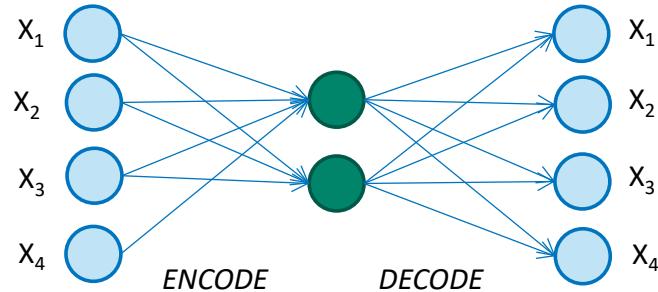


Principal components are computed from observations after removing the outliers.

Robust principal component analysis (RPCA) is a matrix decomposition algorithm that decomposes an input matrix \mathbf{M} into a low-rank matrix \mathbf{L}_0 and a sparse matrix \mathbf{S}_0 , where $\mathbf{M} = \mathbf{L}_0 + \mathbf{S}_0$. This decomposition is obtained by solving a convex programming problem called *principal component pursuit (PCP)*. The aim in the robust principal component analysis is to recover a low-rank matrix \mathbf{L}_0 from highly corrupted measurements \mathbf{M} . Unlike the small noise term \mathbf{N}_0 in classical PCA, the entries in \mathbf{S}_0 can have arbitrarily large magnitude, and their support is assumed to be sparse but unknown. You can use the low-rank matrix \mathbf{L}_0 to do feature extraction and use the sparse matrix \mathbf{S}_0 to detect anomalies. Robustness in RPCA comes from the property that the principal components are computed from observations after removing the outliers—that is, from the low-rank matrix.

There are many applications of RPCA focused on the low-rank matrix, including image processing, latent semantic indexing, ranking, and matrix completion (Candès et al. 2011). Similarly, there are many applications of RPCA focused on the sparse matrix. One example is the extraction of moving objects from the background in surveillance videos.

Autoencoder: Single Hidden Layer



- An autoencoder is a neural network that uses inputs to predict the inputs.
- Autoencoders extract a highly representative set of nonlinear features from the bottleneck layer of a specialized network.

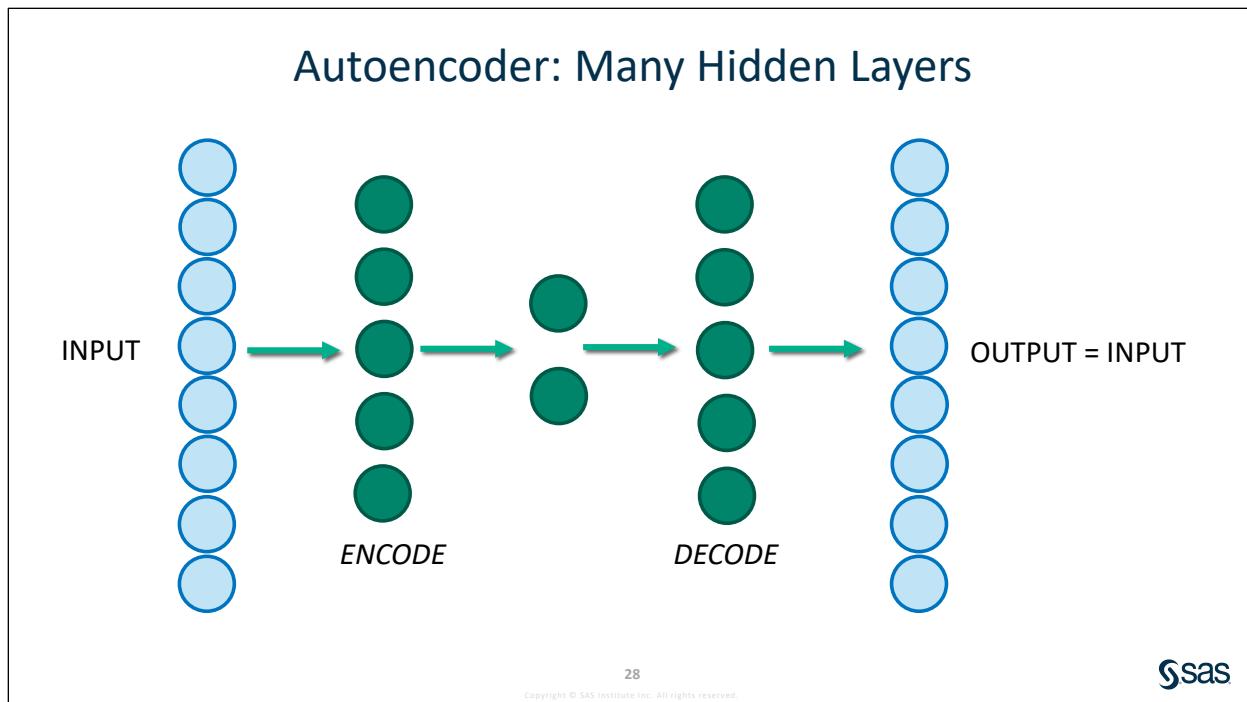
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An autoencoder is a neural network that is used for efficient codings and widely used for feature extraction and nonlinear principal component analysis. Architecturally, an autoencoder is like a multilayer perceptron neural network because it has an input layer, hidden layers (encoding layers), and an output layer (decoding layer). However, it differs in that the output layer is duplicated from the input layer. Therefore, autoencoders are unsupervised learning models. The network is trained to reconstruct its inputs, which forces the hidden layer to try to learn good representations of the inputs.

Autoencoders are like PCA but are much more flexible than PCA. Autoencoders can represent both linear and nonlinear transformation in encoding, but PCA can perform only linear transformation. Autoencoders can be layered to form deep learning network due to its network representation.

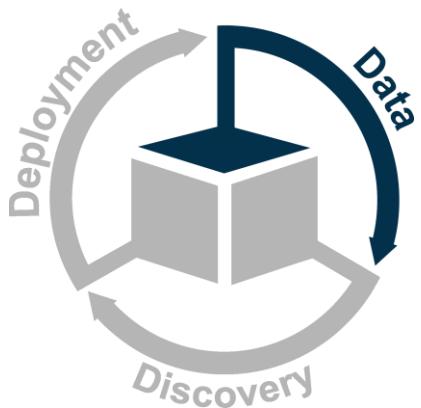


For greater network flexibility, we often use more hidden layers with many nodes, like the one above. Each layer of the deep network is usually trained separately by using the output of the previous layer, or by using the training inputs in the case of the first layer. The weights of the individually trained layers are then used to initialize the entire deep network, and all layers are trained again simultaneously on the original training examples. When many inputs are used in conjunction with a much smaller number of hidden units, the features that are extracted as outputs of the hidden units are a nonlinear projection of the training examples onto a lower-dimensional space. Such features can be highly predictive of a training example's class label.

Note: An obvious drawback to feature extraction is that the actual inputs to the model are no longer meaningful with respect to the business problem. However, you can simply consider this another transformation of the original inputs to be provided to the model, something that must be accounted for as part of the scoring process when the model is deployed.

2.3 Input Transformations

Essential Data Tasks



- Divide the data.
- Address rare events.
- Manage missing values.
- Add unstructured data.
- Extract features.
- Handle extreme or unusual values.
- Select useful inputs.

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Input Transformations

Transformations stabilize variances, remove nonlinearity, and correct nonnormality in inputs to improve the fit of the model.

Interval Inputs

Mathematical Functions

- Centering
- Exponential
- Inverse
- Inverse Square
- Inverse Square Root
- $\text{Log}_e / \text{Log}_{10}$
- Range Standardization
- Square
- Square Root
- Standardize

Binning

- Bucket
- Quantile
- Tree-Based Binning

Best

Class Inputs

Bin Rare Nominal Levels

- Level Encoding
- Level Frequency Encoding
- Level Proportion Encoding
- Target Encoding
- WOE Encoding

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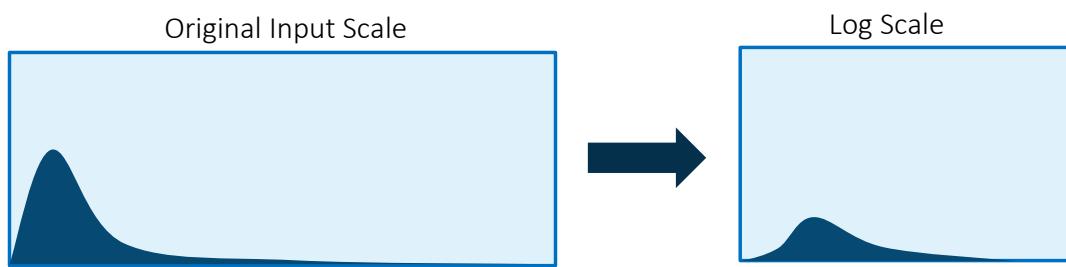
Transformations can be done to change the shape of the distribution of a variable by stretching or compressing it, to reduce the effect of outliers or heavy tails, or to standardize inputs to be on the same range and scale. Another major reason that transformations of inputs are done is to reduce the bias in model predictions.

Transformation of input variables is a common data preprocessing task. In machine learning, two types of variable transformations are commonly used:

- mathematical transformations such as square, square root, log or inverse
- binning such as bucket, quantile, or tree-based binning.

Note: Log, Log10, Square root, and Inverse square root add an offset to variables to ensure positive values. Inverse and Inverse square add an offset to variables to ensure nonzero values. This prevents creating missing values during the transformation when input variable values are zero.

Transforming Inputs: Mathematical Functions



The simple illustration in the slide above shows a variable distribution, which is positively skewed. The log transformation reduces skewness in it. A distribution that is symmetric or nearly so is often easier to handle and interpret than a skewed distribution. Extreme input distributions are often problematic in predictive modeling. A simpler and, arguably, more effective approach transforms or regularizes offending inputs to eliminate extreme values. Then a predictive model can be accurately fit using the transformed input in place of the original input. This not only mitigates the influence of extreme cases but also creates the desired asymptotic association between input and target on the original input scale.

Transforming Inputs: Binning

$0 \leq \text{Age} < \infty$

| Bin | Age Range |
|-----|-------------------|
| 1 | (0, 20] |
| 2 | (20, 50] |
| 3 | (50, 70] |
| 4 | (greater than 70) |

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The simple illustration in the slide above shows a variable, **Age**, that ranges from 0 to infinity. (In practice, **Age** would not identically equal zero nor approach infinity, but the example is to illustrate how a continuous variable with a large range could be converted to bins.) The **Age** variable is converted into a new variable that takes on only four values, represented by the bins 1 through 4. When the original **Age** variable falls into a certain age range, the binned version of **Age** simply takes the value of the bin that it falls into.

There are many ways that binning can be done. In one case, the bins themselves are of equal width, but the frequency count within each bin can then be varied. (This type of binning is known as *bucketing*.) Another approach is to make the width of the bins different but the frequency count of observations in each bin consistent. (This type of binning is known as *quantile binning*.)

Binning can be done for several reasons. It can be used to classify missing values of a variable, reduce the effect that outliers might have on a model, or illustrate nonlinear relationships between variables. A binned version of a variable also has less variance than the original numeric variable.

The “Best” Transformation in Model Studio

“Best” is not really a transformation, but a method or process to select the best transformation for an interval input. In the Transformations node (shown in the next demo), this method is accessed by selecting “Best” via the **Default interval inputs method** property. When specified, the Best method is applied to all interval inputs coming into the node, unless overridden by specific variable transformations identified in metadata via the Data tab or Manage Variables node.

For more information, see **Best transformation – What is it?** at
<https://communities.sas.com/t5/SAS-Communities-Library/Best-transformation-a-new-feature-in-SAS-Model-Studio-8-3/ta-p/489604>.

2.04 Multiple Choice Question

Why bin an input?

- a. It can reduce the effects of an outlier.
- b. It can classify missing values (into a category or bin).
- c. It can generate multiple effects.
- d. all of the above



Transforming Inputs

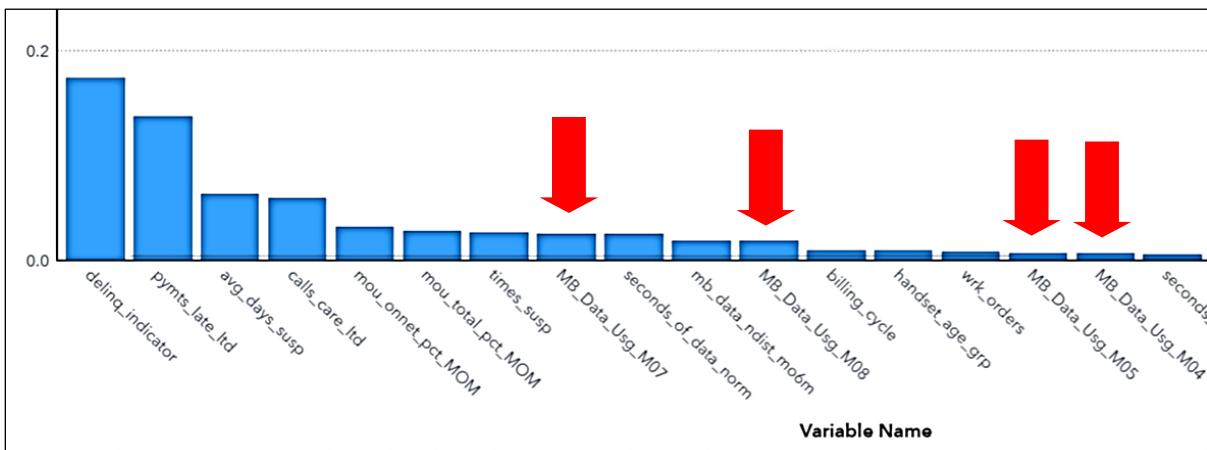
In this demonstration, you use the Transformations node to apply a numerical transformation to input variables.

1. Open the **Data Exploration** pipeline by clicking on its tab.

2. Run the **Data Exploration** node. (The pipeline requires a rerun because metadata rules have been applied on the Data tab.)
3. Right-click the **Data Exploration** node and select **Results**.
4. Expand the **Interval Variable Moments** table. Note that five of the **MB_Data_Usg_M** variables have a high degree of skewness. Why are only five listed? There is a total of six in the data set.

| Variable Name | Minimum | Maximum | Mean | Standard ... | Skewness | Kurtosis | Relative V... | Mean plu... |
|-------------------|--------------|-------------|------------|--------------|----------|----------|---------------|-------------|
| MB_Data_Usg_M04 | 0 | 14,606 | 159.3069 | 381.1479 | 9.8152 | 179.7305 | 2.3925 | 921.6027 |
| MB_Data_Usg_M05 | 0 | 24,707 | 142.7953 | 471.5578 | 13.6122 | 315.4086 | 3.3023 | 1,085.9108 |
| MB_Data_Usg_M06 | 0 | 29,676 | 230.5486 | 718.7864 | 15.2432 | 360.4407 | 3.1177 | 1,668.1214 |
| MB_Data_Usg_M07 | 0 | 13,672 | 94.2740 | 259.8391 | 17.6345 | 495.6026 | 2.7562 | 613.9521 |
| MB_Data_Usg_M08 | 0 | 16,297 | 109.5912 | 348.7336 | 16.9031 | 467.9811 | 3.1821 | 807.0585 |
| avg_days_susp | 0 | 62 | 3.4714 | 3.8313 | 1.5937 | 5.0681 | 1.1037 | 11.1339 |
| bill_data_usg_m03 | -13,678 | 40,767.1000 | 1,864.9142 | 1,634.5099 | 1.3974 | 13.7884 | 0.8765 | 5,133.9339 |
| bill_data_usg_m06 | -10,874.3000 | 16,813.6000 | 1,869.1400 | 1,418.9061 | 1.3000 | 5.0748 | 0.7591 | 4,706.9523 |
| calls_care_ltd | 0 | 266 | 91.3478 | 49.3820 | 1.1421 | 0.3660 | 0.5406 | 190.1117 |

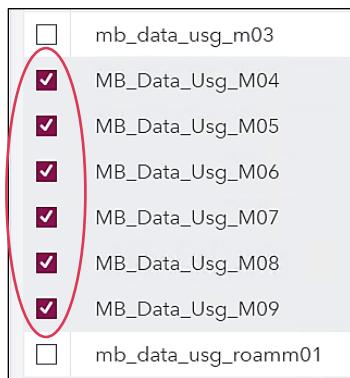
5. Restore the view of the Interval Variable Moments table.
6. Expand the **Important Inputs** chart. Notice that the same **MB_Data_Usg_M** variables have been selected as being important variables. Only five of the six **MB_Data_Usg_M** variables are listed in the Interval Variable Moments table because, by default, only the variables found to be important are summarized in the results of the Data Exploration node. Importance is defined by a decision tree using PROC TREESPLIT. You should transform these five (or all six) inputs.



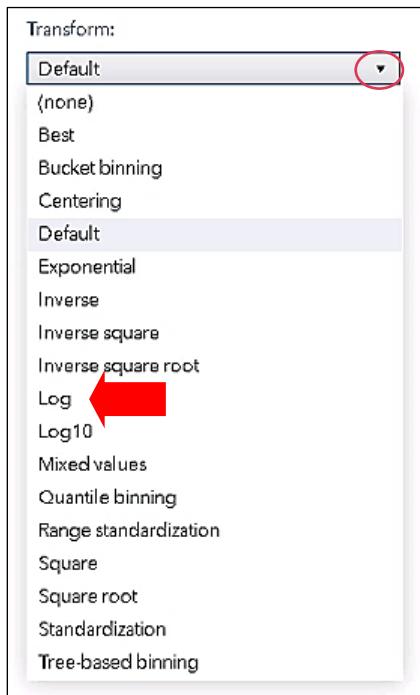
Note: The entire chart is not shown above.

7. Restore the view of the Important Variables table.
8. Close the Results window. Transformation rules are assigned on the Data tab.
(Alternatively, transformation rules could be assigned using a Manage Variables node. In the Manage Variables window, the New Transform column is hidden by default but can be displayed and used. Click the **Manage Columns** button  in the upper right corner of the Manage Variables table. From the Manage Columns window, the column for New Transform can be moved from the Hidden columns list to the Displayed columns list. However, recall that rules established in the Manage Variables node are not saved if the pipeline is saved to the Exchange.)
9. Click the **Data** tab. Make sure that any selected variables are deselected. It might help to sort by the Variable Name column if that column is currently not sorted.
10. Scroll down until you see the **MB_Data_Usg_M** variables. Although only five were deemed as important in the Data Exploration node, we will apply a Log transformation to all six of them.
11. Select all six **MB_Data_Usg_M** variables by selecting the check boxes next to their names.

Note: Be sure to select the correct variable names, which use uppercase letters. Very similar variable names exist in lowercase letters. Do **not** select the variable names with lowercase letters.



12. In the Multiple Variables window, in the right pane, select the **Transform** menu and select **Log**.



Note: Metadata always overrules transformations that are defined within the Transformation node. Metadata can be set using the Manage Variable node or on the Data tab.

The Transform column does not appear by default in the table on the Data tab, but it can be added.

13. Click the **Manage columns** button in the upper right corner of the data table.

| | Role | Level | Order |
|--|-------|---------|---------|
| | Input | Nominal | Default |

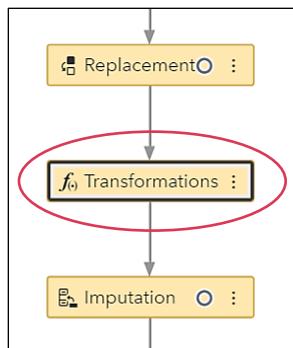
14. In the Manage Columns window, under **Hidden columns**, select **Transform**, and then click the single right arrow that has a plus sign on it.

| Manage Columns | | |
|---|--|--|
| Hidden columns (10): | | Displayed columns (12): |
| <input type="text" value="Filter"/> Character Value Count Format Impute Length Lower Limit Numeric Value Transform (highlighted with a red arrow) Upper Limit Variable Type | <input type="button" value="+>"/> <input type="button" value="+>>"/> | Variable Name Label Type Role Level Order Comment Number of Levels Missing Minimum Maximum Mean |

15. Click **OK**. On the Data tab, the Transform column can be seen by scrolling to the right. All six **MB_Data_Usg_M** variables show Log as the transformation rule.

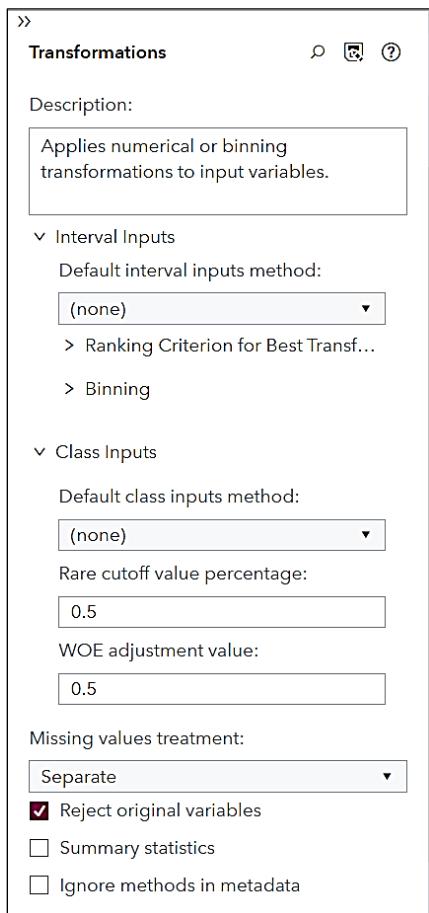
| num | Maximum | Mean | Transform |
|------|-------------|------------|-----------|
| 0602 | 40,761.3406 | 1,698.6531 | Default |
| 0000 | 40,784.2343 | 1,696.2538 | Default |
| 0000 | 14,606.0000 | 159.3069 | Log |
| 0000 | 24,707.0000 | 142.7953 | Log |
| 0000 | 29,676.0000 | 230.5486 | Log |
| 0000 | 13,672.0000 | 94.2740 | Log |
| 0000 | 16,297.0000 | 109.5912 | Log |
| 0000 | 8,869.0000 | 95.9824 | Log |
| 0000 | 11,400.0000 | 133.8720 | Default |
| 0000 | 18,727.0000 | 125.7288 | Default |

16. Return to the Starter Template pipeline.
 17. Expand the left pane on **Nodes** if it is not opened. Under Data Mining Preprocessing, select the **Transformations** node and place it *between* the Replacement node and the Imputation node.



Note: The idea is that you first change metadata in the Data tab or using the Manage Variables node to specify what you want to do with the variables. (So far, you have seen Replacement and Transformation.) Then you need to add a node (in our example, Replacement or Transformation) to make those changes to the data. The subsequent node (Replacement or Transformation) actually performs the changes that you encoded in metadata.

18. Do **not** make changes to the properties of the Transformations node. Although the **Default interval inputs method** property indicates **(none)**, the metadata rules assigned to the variables under the Data tab override this default setting.



19. Right-click the **Transformations** node and select **Run**.
20. When the run is finished, open the results. Expand the **Transformed Variables Summary** table. This table displays information about the transformed variables, including how they were transformed, the corresponding input variable, the formula applied, the variable level, type, and variable label.

Notice that a Log transformation has been applied to all six **MB_Data_Usg_M** variables and that the term **LOG_** now appears at the beginning of the names of those variables.

| Transformed Variables Summary | | | | | | |
|-------------------------------|--------|-----------------|-----------------------------|----------------|------|--------------------------------------|
| Transformed Variable | Method | Input Variable | Formula | Variable Level | Type | Variable Label |
| LOG_MB_Data_Usg_M04 | LOG | MB_Data_Usg_M04 | log('MB_Data_Usg_M04'n + 1) | INTERVAL | N | Transformed MB of Data Usage Month 4 |
| LOG_MB_Data_Usg_M05 | LOG | MB_Data_Usg_M05 | log('MB_Data_Usg_M05'n + 1) | INTERVAL | N | Transformed MB of Data Usage Month 5 |
| LOG_MB_Data_Usg_M06 | LOG | MB_Data_Usg_M06 | log('MB_Data_Usg_M06'n + 1) | INTERVAL | N | Transformed MB of Data Usage Month 6 |
| LOG_MB_Data_Usg_M07 | LOG | MB_Data_Usg_M07 | log('MB_Data_Usg_M07'n + 1) | INTERVAL | N | Transformed MB of Data Usage Month 7 |
| LOG_MB_Data_Usg_M08 | LOG | MB_Data_Usg_M08 | log('MB_Data_Usg_M08'n + 1) | INTERVAL | N | Transformed MB of Data Usage Month 8 |
| LOG_MB_Data_Usg_M09 | LOG | MB_Data_Usg_M09 | log('MB_Data_Usg_M09'n + 1) | INTERVAL | N | Transformed MB of Data Usage Month 9 |

Note: In the Formula column, notice that the formula for the Log transformations includes an offset of 1 to avoid the case of **Log(0)**.

21. Restore the Transformed Variables Summary window and close the results.
22. Run the entire pipeline.
23. Open the results of the Model Comparison node.

| Model Comparison | | | | |
|------------------|-------------------------|---------------------|-------------|------------------------|
| Champion | Name | Algorithm Name | KS (Youden) | Misclassification Rate |
| | Logistic Regression (1) | Logistic Regression | 0.5774 | 0.0663 |

24. Close the Results window.

End of Demonstration

2.4 Feature Selection

Essential Data Tasks



- Divide the data.
- Address rare events.
- Manage missing values.
- Add unstructured data.
- Extract features.
- Handle extreme or unusual values.
- Select useful inputs.

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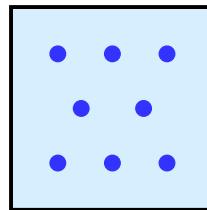
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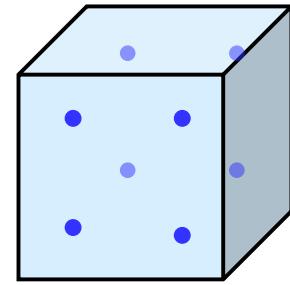
The Curse of Dimensionality



1-D



2-D



3-D

39

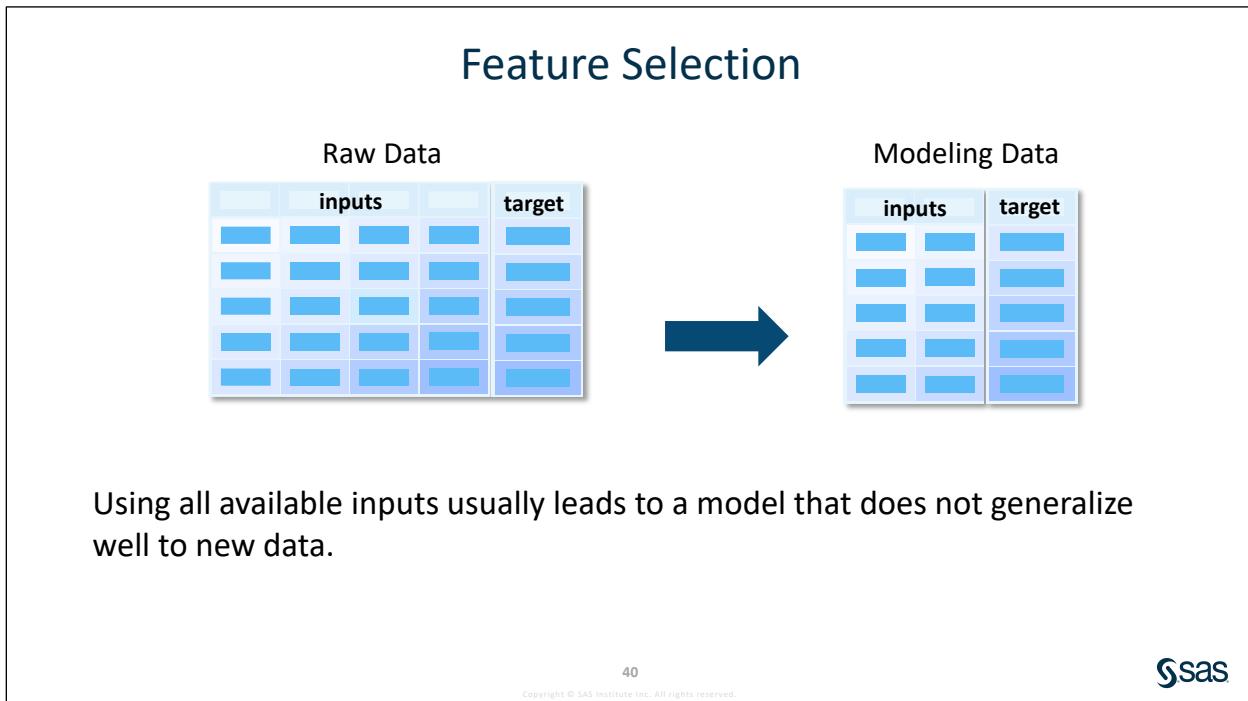
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The *dimension* of a problem refers to the number of input variables (more accurately, *degrees of freedom*) that are available for creating a prediction. Data mining problems are often massive in dimension.

The *curse of dimensionality* refers to the exponential increase in data required to densely populate space as the dimension increases. For example, the eight points fill the one-dimensional space but become more separated as the dimension increases. In a 100-dimensional space, they would be like distant galaxies.

The curse of dimensionality limits your practical ability to fit a flexible model to noisy data (real data) when there are many input variables. A densely populated input space is required to fit highly complex models. When you assess how much data is available for data mining, you must consider the dimension of the problem.

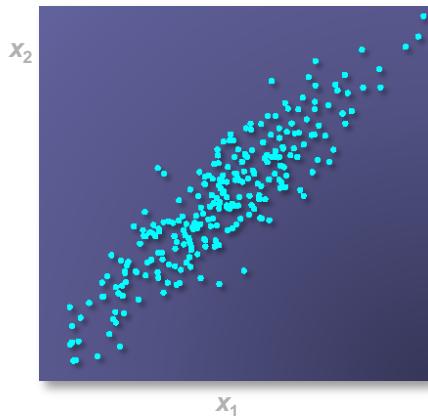


When a model is fit using all available inputs, it typically results in a model that does not generalize well. The purpose of all predictive models is that they are eventually applied to new data. When a model is overfit to one data source, it might be very accurate at making predictions for that same data source, but it might lose a significant amount of accuracy when applied to new data. A model using all available inputs will likely be overfit to the data set used to construct the model. One way to avoid this is to use only a subset of all inputs in the final model.

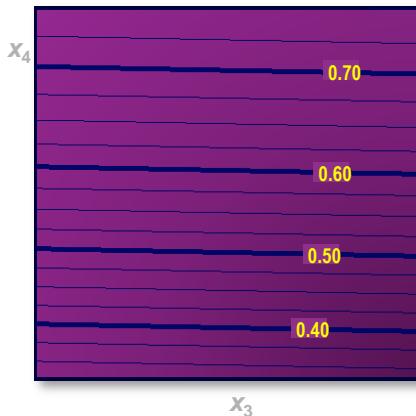
There are many techniques available for selecting inputs for a model. Some of these methods might be supervised, where the target variable is used in the process. Other techniques are unsupervised and ignore the target. Further, some modeling algorithms themselves might reduce the number of inputs during the model building process (for example, decision trees) but others might not (for example, neural networks), where some external method is used to select inputs.

Feature Selection Strategies

Redundancy



Irrelevancy



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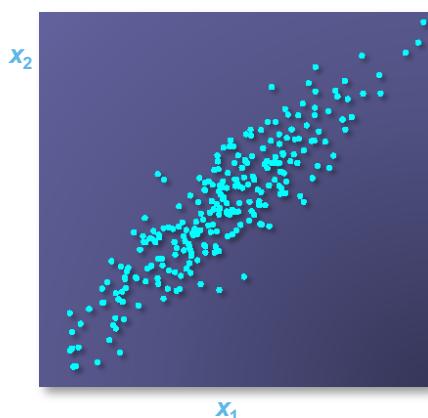


Input selection (that is, reducing the number of inputs) is the obvious way to thwart the curse of dimensionality. Unfortunately, reducing the dimension is also an easy way to disregard important information.

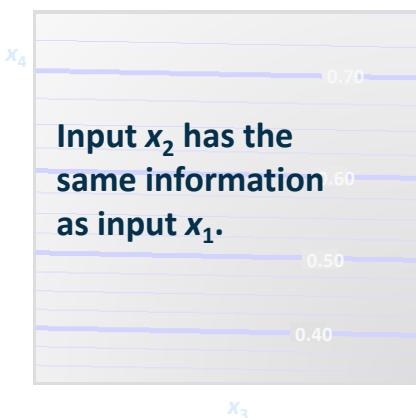
The two principal reasons for eliminating a variable are redundancy and irrelevancy.

Unsupervised Selection

Redundancy



Irrelevancy



Example: x_1 is household income and x_2 is home value.

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A *redundant* input does not give any new information that was not already explained by other inputs. In the example above, knowing the value of input x_1 gives you a good idea of the value of x_2 .

For decision tree models, the modeling algorithm makes input redundancy a relatively minor issue. For other modeling tools, input redundancy requires more elaborate methods to mitigate the problem.

Supervised Selection

Redundancy

x_2

x_1

Predictions change with input x_4 but much less with input x_3 .

Irrelevancy

x_4

0.70

0.60

0.50

0.40

x_3

Example: Target is the response to direct mail solicitation, x_3 is religious affiliation, and x_4 is the response to previous solicitations.



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An *irrelevant* input does not provide information about the target. In the example above, predictions change with input x_4 , but not with input x_3 .

For decision tree models, the modeling algorithm automatically ignores irrelevant inputs. Other modeling methods must be modified or rely on additional tools to properly deal with irrelevant inputs.

Feature Selection in Model Studio

The Variable Selection node performs unsupervised and several supervised methods of variable selection to reduce the number of inputs.

Selection process:

- Perform sequential selection
- Combine with supervised method(s)
- Perform sequential selection

Combination criterion:

- Selected by all
- Selected by a majority
- Selected by a tie or majority
- Selected by all
- Selected by at least 1

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Many data mining databases have hundreds of potential model inputs (independent or explanatory variables) that can be used to predict the target (dependent or response variable). The Variable Selection node assists you in reducing the number of inputs by rejecting input variables based on the selection results. This node finds and selects the best variables for analysis by using unsupervised and supervised selection methods. You can choose among one or more of the available selection methods in the variable selection process.

If you choose the unsupervised selection method, you can specify in the **Selection process** property whether this method is run prior to the supervised methods (sequential selection). If you choose to perform a sequential selection (the default), any variable rejected by the unsupervised method is not used by the subsequent supervised methods. If you are not performing a sequential selection, the results from the unsupervised method are combined with the chosen supervised methods.

If you choose multiple methods, the results from the individual methods are combined to generate the final selection result. This is done with *combination criterion*. This is a "voting" method such that each selection method gets a vote on whether a variable is selected. As an option, you choose at what voting level (combination criterion) a variable is selected. Voting levels range from the least restrictive option (at least one chosen method selects the variable) to the most restrictive option (all chosen methods select the variable). Any variable that is not selected in the final outcome is rejected, and subsequent nodes in the pipeline do not use that variable.

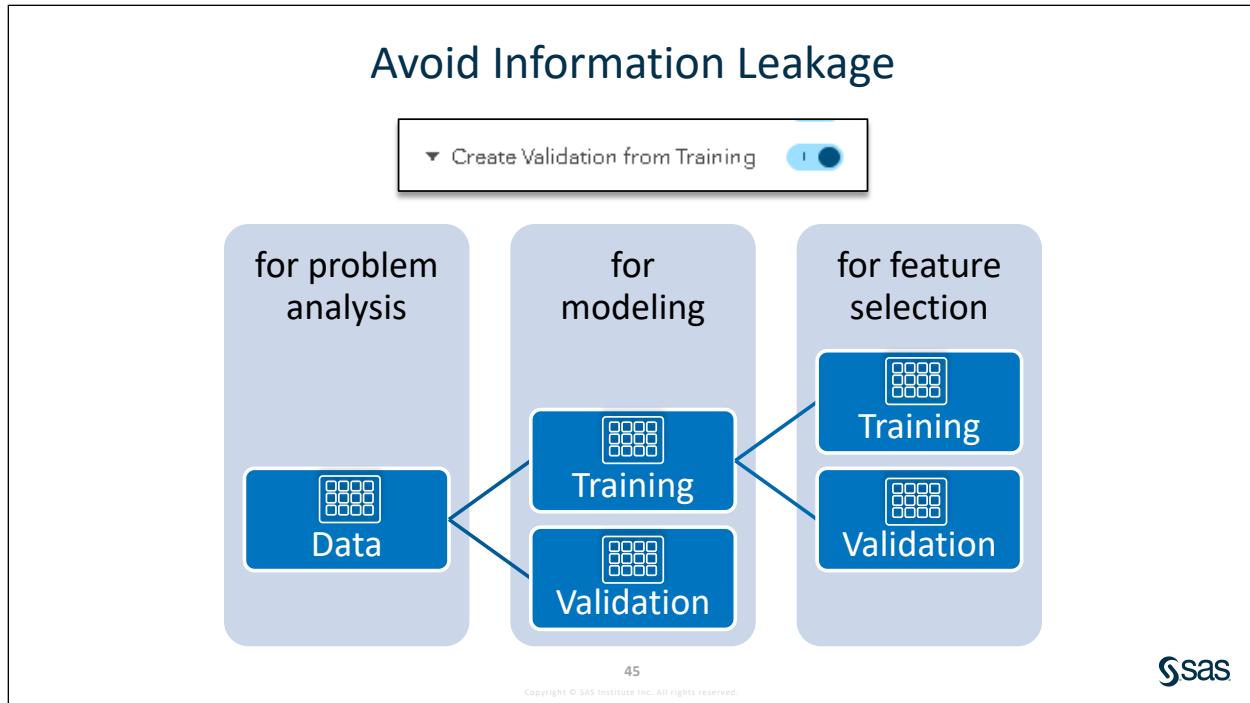
You also have the option to accomplish *pre-screening* of the input variables before running the chosen variable selection methods. In pre-screening, if a variable exceeds the maximum number of class levels threshold or the maximum missing percent threshold, that variable is rejected and not processed by the subsequent variable selection methods.

Note: The Advisor options also accomplish variable pre-screening when the project is created, so this option can be used to increase the level of pre-screening over what is done at the project level.

Details: Variable Selection Methods

The following variable selection methods are available in the Variable Selection node:

- **Unsupervised Selection:** Identifies the set of input variables that jointly explains the maximum amount of data variance. The target variable is not considered with this method. Unsupervised Selection specifies the VARREDUCE procedure to perform unsupervised variable selection by identifying a set of variables that jointly explain the maximum amount of data variance. Variable selection is based on covariance analysis.
- **Fast Supervised Selection:** Identifies the set of input variables that jointly explain the maximum amount of variance contained in the target. Fast Supervised Selection specifies the VARREDUCE procedure to perform supervised variable selection by identifying a set of variables that jointly explain the maximum amount of variance contained in the response variables. Supervised selection is essentially based on AIC, AICC, and BIC stop criterion.
- **Linear Regression Selection:** Fits and performs variable selection on an ordinary least squares regression predictive model. This is valid for an interval target and a binary target. In the case of a character binary target (or a binary target with a user-defined format), a temporary numeric variable with values of 0 or 1 is created, which is then substituted for the target. Linear Regression Selection specifies the REGSELECT procedure to perform linear regression selection based on ordinary least square regression. It offers many effect-selection methods, including Backward, Forward, Forward-swap, Stepwise methods, and modern LASSO and Adaptive LASSO methods. It also offers extensive capabilities for customizing the model selection by using a wide variety of selection and stopping criteria, from computationally efficient significance level-based criteria to modern, computationally intensive validation-based criteria.
- **Decision Tree Selection:** Trains a decision tree predictive model. The residual sum of squares variable importance is calculated for each predictor variable, and the relative variable importance threshold that you specify is used to select the most useful predictor variables. Decision Tree Selection specifies the TREESPLIT procedure to perform decision tree selection based on CHAID, Chi-square, Entropy, Gini, Information gain ratio, F test, and Variance target criterion. It produces a classification tree, which models a categorical response, or a regression tree, which models a continuous response. Both types of trees are called decision trees because the model is expressed as a series of IF-THEN statements.
- **Forest Selection:** Trains a forest predictive model by fitting multiple decision trees. The residual sum of squares variable importance is calculated for each predictor variable, averaged across all the trees, and the relative variable importance threshold that you specify is used to select the most useful predictor variables. Forest Selection specifies the FOREST procedure to create a predictive model that consists of multiple decision trees.
- **Gradient Boosting Selection:** Trains a gradient boosting predictive model by fitting a set of additive decision trees. The residual sum of squares variable importance is calculated for each predictor variable, averaged across all the trees, and the relative variable importance threshold that you specify is used to select the most useful predictor variables. Gradient Boosting Selection specifies the GRADBOOST procedure to create a predictive model that consists of multiple decision trees.



Create Validation Sample from Training Data specifies whether a validation sample should be created from the incoming training data. This is recommended even if the data have already been partitioned so that only the training partition is used for variable selection, and the validation partition can be used for modeling. By default, this is selected. When selected, it has the following options:

Validation proportion specifies the probability of a given record being selected for the validation set. The default value is 0.3.

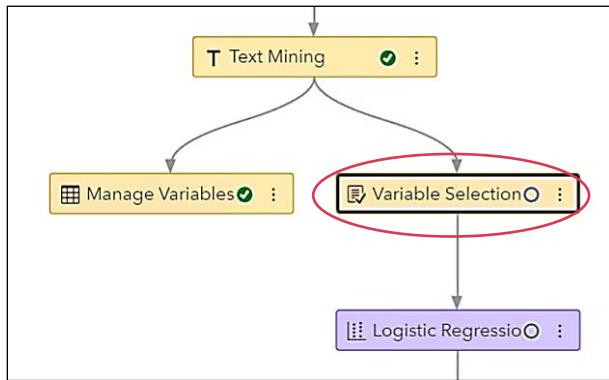
Partition seed specifies the partition seed to generate the sample that is used for validation. The default value is 12345.



Selecting Features

In this demonstration, you use the Variable Selection node to reduce the number of inputs for modeling.

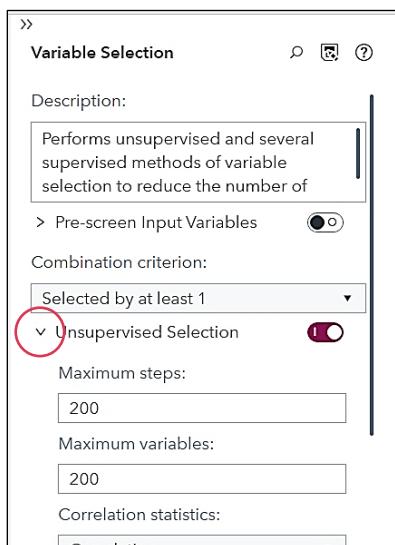
1. In the Starter Template, place a Variable Selection node ***between*** the Text Mining node and the Logistic Regression node.



2. Select the **Variable Selection** node.

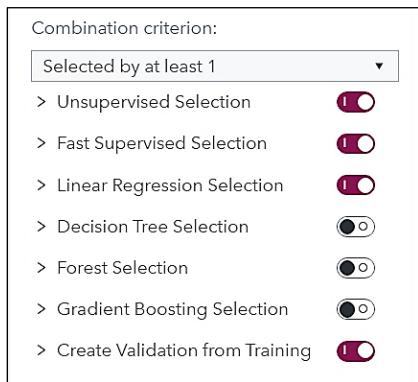
In the properties, varying combinations of criteria can be used to select inputs. Keep **Combination Criterion** at **Selected by at least 1**. This means that any input selected by at least one of the selection criteria chosen is passed on to subsequent nodes as inputs. The **Fast Supervised Selection** method is selected by default. The **Create Validation from Training** property is also selected by default, but its button is initially disabled.

3. In addition, turn on the **Unsupervised Selection** and **Linear Regression Selection** methods by clicking the button slider next to each property name. When a property is turned on, additional options appear. The display capture below shows the additional options of the **Unsupervised Selection** method after it is selected. You can hide the new options by selecting the down arrow next to the property name.



Keep the default settings for all the new options that appear for the Unsupervised Selection and Linear Regression Selection methods.

After the **Unsupervised Selection** and **Linear Regression Selection** methods are selected and the options for each are hidden, the properties panel resembles the following:



Note: The **Create Validation from Training** property was initially selected by default, but the slider button did not become active until another method was selected. This property specifies whether a validation sample should be created from the incoming training data. It is recommended to create this validation set even if the data have already been partitioned so that only the training partition is used for variable selection and the original validation partition can be used for modeling.

4. Run the **Variable Selection** node and view the results when it is complete.
5. Expand the **Variable Selection** table. This table contains the output role for each variable. At the top of the table are the input variables selected by the node. These variables have a blank cell in the Reason column.

| Variable Selection | | | | |
|----------------------------|---|----------------|--------|--------|
| Name | Variable Label | Variable Level | Role | Reason |
| CHURN | Churn Flag | BINARY | TARGET | |
| AVG_DAYS_SUSP | Days Suspended Last 6M | INTERVAL | INPUT | |
| DELINO_INDICATOR | Delinquent Indicator | NOMINAL | INPUT | |
| EVER_DAYS_OVER_PLAN | Total Days Over Plan | INTERVAL | INPUT | |
| HANDSET_AGE_GRP | Handset Age Group | NOMINAL | INPUT | |
| IMP_REP_MB_DATA_NDIST_MO6M | Imputed Replacement: 6M Avg Billed Data Usage Normally Distributed | INTERVAL | INPUT | |
| IMP_REP_MOU_ONNET_PCT_MOM | Imputed Replacement: Minutes On Network Pct Change Month over Month | INTERVAL | INPUT | |

6. Scroll down in the Variable Selection table. It shows which variables have been rejected by the node. The reason for rejection is shown in the Reason column. Only a subset of the rejected variables is shown below.

| Variable Selection | | | | |
|-----------------------|--------------------------------------|----------------|-----------|-----------------------------------|
| Name | Variable Label | Variable Level | Role | Reason |
| _PARTIND_ | Partition Indicator | NOMINAL | PARTITION | |
| ACCT_AGE | Account Tenure | INTERVAL | REJECTED | Variance Explained (Unsupervised) |
| BILLING_CYCLE | Billing Cycle | NOMINAL | REJECTED | Combination Criterion |
| BILL_DATA_USG_M09 | 9M Avg Billed Data Usage | INTERVAL | REJECTED | Variance Explained (Unsupervised) |
| BILL_DATA_USG_TOT | Total Billed Data Usage | INTERVAL | REJECTED | Combination Criterion |
| CALLS_CARE_3MAVG_ACCT | Number Calls Care Center 3 Month Avg | INTERVAL | REJECTED | Combination Criterion |
| CALLS_CARE_6MAVG_ACCT | Number Calls Care Center 6 Month Avg | INTERVAL | REJECTED | Variance Explained (Unsupervised) |
| CALLS_CARE_ACCT | Number Calls Care Center | NOMINAL | REJECTED | Combination Criterion |

The Variable Selection table shows the variables that are rejected because of the variable selection and pre-screening process (turned off in this case), as well as the reason for the rejection. This is in addition to other variables not processed by the Variable Selection node.

Recall that sequential selection (default) is performed, and any variable rejected by the unsupervised method is not used by the subsequent supervised methods. The variables that are rejected by supervised methods are represented by *combination criterion* (at least one in this case) in the Reason column. If you want to see whether they were selected or rejected by each method, look the Variable Selection Combination Summary table.

7. Restore the view of the Variable Selection table.
8. Expand the **Variable Selection Combination Summary** table. For each variable, the table includes the result (Input or Rejected) for each method that was used, the total count of each result, and the final output role (Input or Rejected). Finally, specific output for each selection method is also available in the results. Only a subset of the variables is shown below.

| Variable Selection Combination Summary | | | | | | | |
|--|--|----------|-------------------|--|-------|----------|-------------|
| Name | Variable Label | Fast | Linear Regression | | Input | Rejected | Output Role |
| AVG_DAYS_SUSP | Days Suspended Last 6M | INPUT | INPUT | | 2 | 0 | INPUT |
| BILLING_CYCLE | Billing Cycle | REJECTED | REJECTED | | 0 | 2 | REJECTED |
| BILL_DATA_USG_TOT | Total Billed Data Usage | REJECTED | REJECTED | | 0 | 2 | REJECTED |
| CALLS_CARE_3MAVG_ACCT | Number Calls Care Center 3 Month Avg | REJECTED | REJECTED | | 0 | 2 | REJECTED |
| CALLS_CARE_ACCT | Number Calls Care Center | REJECTED | REJECTED | | 0 | 2 | REJECTED |
| CALL_TS_ACCT | Number Calls Tech Support | REJECTED | REJECTED | | 0 | 2 | REJECTED |
| CALL_CATEGORY_1 | Call Center Category 1 | REJECTED | REJECTED | | 0 | 2 | REJECTED |
| COL_11 | Score for +friendly, helpful, very +customer | REJECTED | REJECTED | | 0 | 2 | REJECTED |

The first variable in the table is selected by both fast-supervised selection and linear regression, so it is selected as an input (shown above). For any variable rejected by both methods, the output role of the variable is Rejected. If a variable is selected by only one of the selection methods, but not the other, the output role of the variable is Input. This is because of the property **Combination criterion** being set to **Selected by at least 1**.

9. Restore the view of the Variable Selection Combination Summary table and close the results.
10. Run the pipeline by clicking the **Run pipeline** button.
11. Open the results of the Model Comparison node.

| Model Comparison | | | | | |
|------------------|-------------------------|---------------------|------------|------------------------|--|
| Champion | Name | Algorithm Name | KS (Yoden) | Misclassification Rate | |
| | Logistic Regression (1) | Logistic Regression | 0.5428 | 0.0805 | |

12. Close the results of the Model Comparison node.

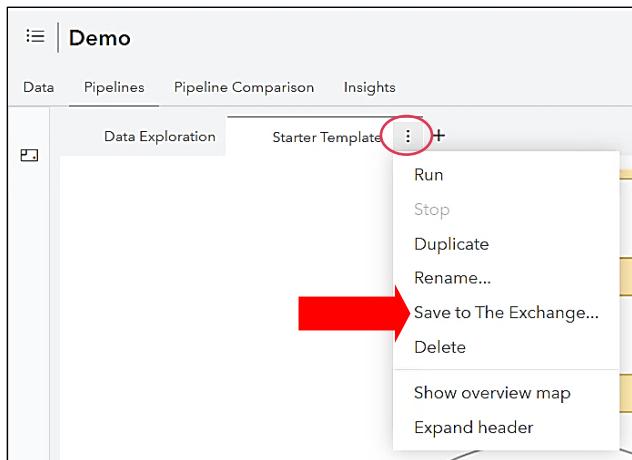
End of Demonstration



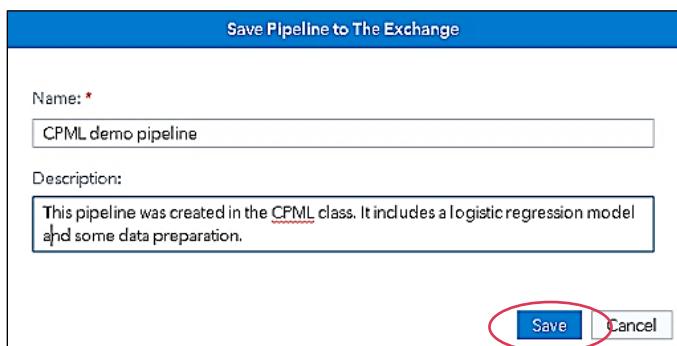
Saving a Pipeline to the Exchange

The current Starter Template pipeline is in multiple demonstrations of machine learning algorithms. In this demonstration, you save the Starter Template pipeline to the Exchange, where it is available for other users.

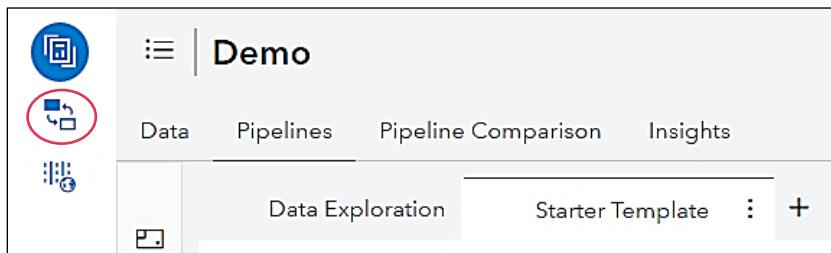
1. Click the Options button next to the name **Starter Template**. Select **Save to The Exchange**.



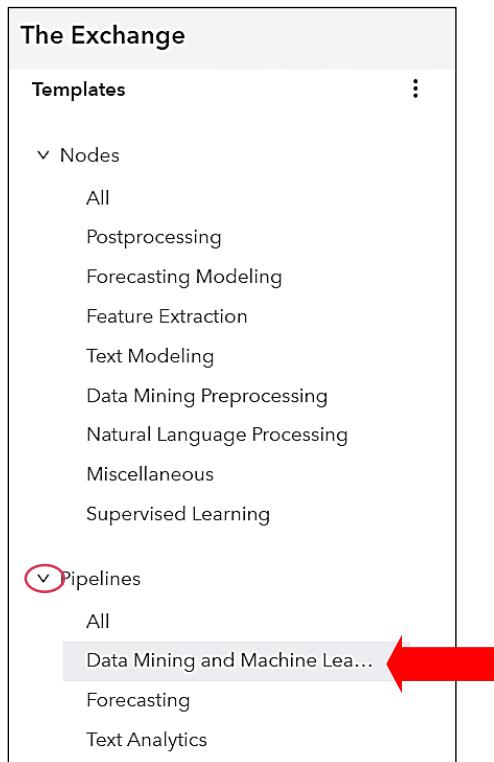
2. Change the name of the pipeline to **CPML demo pipeline**, and for the description, enter **This pipeline was created in the CPML class. It includes a logistic regression model and some data preparation.** Click **Save**.



3. To see the saved pipeline in The Exchange, click the shortcut button , which is located next to the Data tab.



4. In the left pane, expand **Pipelines** and select **Data Mining and Machine Learning**.



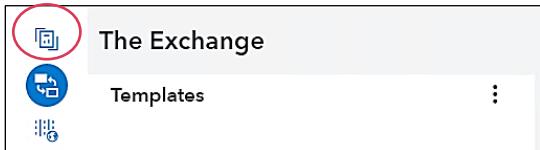
The newly saved CPML demo pipeline is added to the list of pipeline templates.

| Product | Name | Description | Owner | Last Modified |
|-------------------------------------|--------------------------|-----------------------------|--------------|--------------------------|
| <input type="checkbox"/> | Data Mining and Machi... | Advanced template for... | SAS Pipeline | Jan 16, 2020, 8:23:58 AM |
| <input type="checkbox"/> | Data Mining and Machi... | Advanced template for... | SAS Pipeline | Jan 16, 2020, 8:23:49 AM |
| <input type="checkbox"/> | Data Mining and Machi... | Advanced template for... | SAS Pipeline | Jan 16, 2020, 8:24:09 AM |
| <input type="checkbox"/> | Data Mining and Machi... | Advanced template for... | SAS Pipeline | Jan 16, 2020, 8:24:05 AM |
| <input type="checkbox"/> | Data Mining and Machi... | Basic template for class... | SAS Pipeline | Jan 16, 2020, 8:24:34 AM |
| <input type="checkbox"/> | Data Mining and Machi... | Basic template for inter... | SAS Pipeline | Jan 16, 2020, 8:24:35 AM |
| <input checked="" type="checkbox"/> | Data Mining and Machi... | Blank template | SAS Pipeline | Jan 16, 2020, 8:24:37 AM |
| <input checked="" type="checkbox"/> | Data Mining and Machi... | CPML demo pipeline | Student | Jan 31, 2020, 7:00:42 AM |
| <input type="checkbox"/> | Data Mining and Machi... | Feature engineering te... | SAS Pipeline | Jan 16, 2020, 8:24:13 AM |
| <input type="checkbox"/> | Data Mining and Machi... | Intermediate template f... | SAS Pipeline | Jan 16, 2020, 8:24:37 AM |
| <input type="checkbox"/> | Data Mining and Machi... | Intermediate template f... | SAS Pipeline | Jan 16, 2020, 8:24:39 AM |
| <input type="checkbox"/> | Data Mining and Machi... | Manage Variable Test Pi... | Student | Jan 31, 2020, 2:27:16 AM |

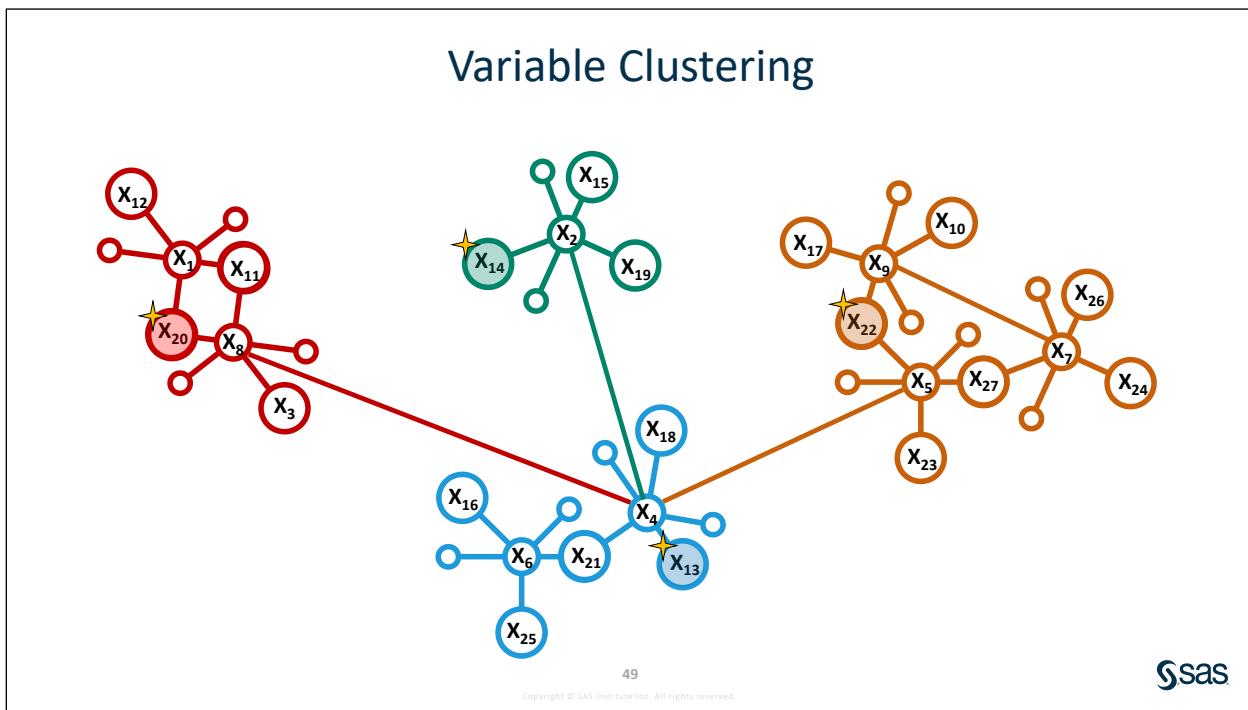
To open a pipeline, right-click its name and select **Open**. Alternatively, you can double-click the name of the pipeline to open it.

Note: When you save a pipeline to the Exchange, you in fact create a new template from a pipeline. Therefore, it is also available in the pipeline templates list.

- To exit the Exchange and return to the **Demo** project, click the **Projects** shortcut button next to the name **The Exchange**.



2.5 Variable Clustering (Self-Study)



When presented with many variables to predict an outcome, you might want to reduce the number of variables in some way to make the prediction problem easier to tackle. Many of these variables are redundant, a concept that was already introduced in Lesson 1. Including redundant inputs can degrade the analysis by

- destabilizing the parameter estimates
- increasing the risk of overfitting
- confounding interpretation
- increasing computation time
- increasing scoring effort
- increasing the cost of data collection and augmentation.

One approach to variable reduction is variable clustering. Variable clustering divides numeric variables (by default) into disjoint or hierarchical clusters. Variables in different clusters are conditionally independent given their own clusters. For each cluster that contains more than one variable, the variable that contributes the most to the variation in that cluster is chosen as the representative variable. You can select multiple representative variables per cluster with the **Number of representative variables** property. All other variables are rejected.

By default, variable clustering is performed only on numeric input variables. In order for variable clustering to include categorical input variables, the property **Include Class Inputs** must be turned on.

Input Reduction with Variable Clustering

Variable clustering reduces the number of variables by grouping similar variables together.

By clustering inputs, you do the following:

1. detect redundancies (collinearity) between variables
2. understand the underlying structures
3. reduce the number of variables

Variable clustering is a useful technique for data reduction because it finds the best variables for analysis. It removes collinearity, decreases variable redundancy, and helps reveal the underlying structure of the input variables in a data set in the sense that the groups of variables reveal the main dimensionalities of the data.



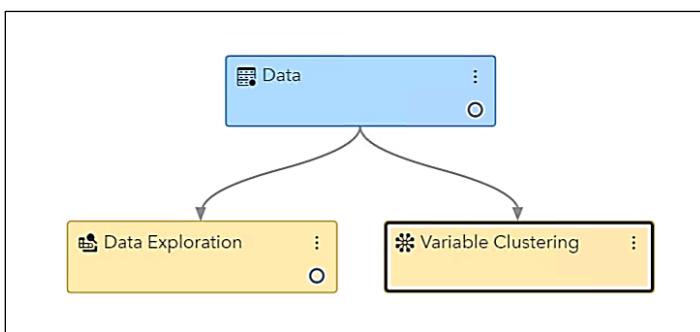
Clustering Inputs for Data Reduction (Self-Study)

In this demonstration, you use the Variable Clustering node to reduce the number of inputs for modeling.

1. Return to the **Demo** project and open the **Data Exploration** pipeline by clicking its tab.

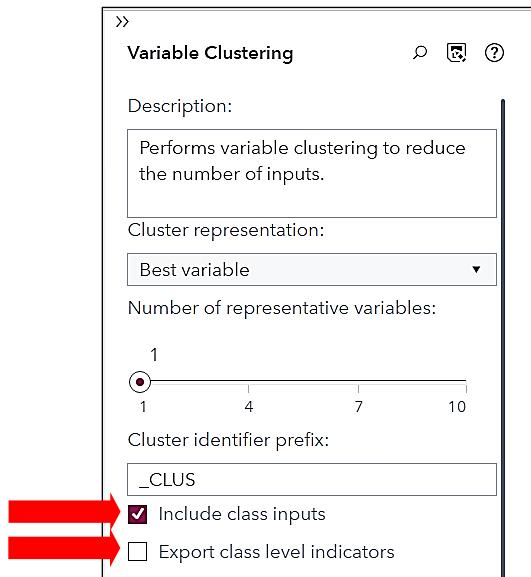


2. In the Data Exploration pipeline, right-click the **Data** node and select **Add child node** \Rightarrow **Data Mining Preprocessing** \Rightarrow **Variable Clustering**. Your pipeline should resemble the following:



3. Select the **Variable Clustering** node. In the properties, you have an option of including categorical variables in the analysis. Turn the option on by selecting the **Include class inputs** box. This means that class variables are also used in variable clustering.

Also, clear the box for **Export class level indicators**. This specifies to not export the class level indicators to replace the original class variables.



You can use the **Cluster identifier prefix** property to specify the prefix used to name the variable cluster identifiers and to name the cluster component variables when **Cluster representation** is set to **Cluster component**.

Note: Class variables are handled in a different way in Model Studio. Individual binary class level variables are used in the clustering process, but the original class variables are kept or dropped in the selection process. This selection depends on the variables that are included in a cluster, and the variable or variable level that is selected from each cluster.

Note: Also note that you have a **Cluster representation** property where you can choose to export the first principal component for each cluster (property value **Cluster component**). With the **Cluster component** option, the first principal component is extracted from all variables in a cluster and output as the new variable **_CLUSn** (for example, **_CLUS1**, **_CLUS2**, **_CLUS3**, and so on), and the original cluster variables are rejected. The total number of generated component variables corresponds to the number of identified clusters. For more information, see **Three new Variable Clustering features in SAS Model Studio 8.3** at <https://communities.sas.com/t5/SAS-Communities-Library/Three-new-Variable-Clustering-features-in-SAS-Model-Studio-8-3/ta-p/489430>.

- Observe that the default value of the regularization parameter Rho (ρ) is 0.8. You do not need to change its value.

| |
|-----------------------|
| Clustering Rho value: |
| 0.8 |
| > Advanced Options |

Note: You use Rho to control the sparsity of connections among variables. Tuning the regularization parameter from low to high increases the number of disconnected components and splits larger clusters into smaller ones. Those divided clusters naturally form a hierarchical structure during this process.

- Run the **Variable Clustering** node and view the results when it is complete.

Expand the **Clustered Variables** table. This table contains all the clustered variables, a list of their cluster IDs, variable labels, first principal components, and whether they were selected. Only a subset of the selected variables is shown below.

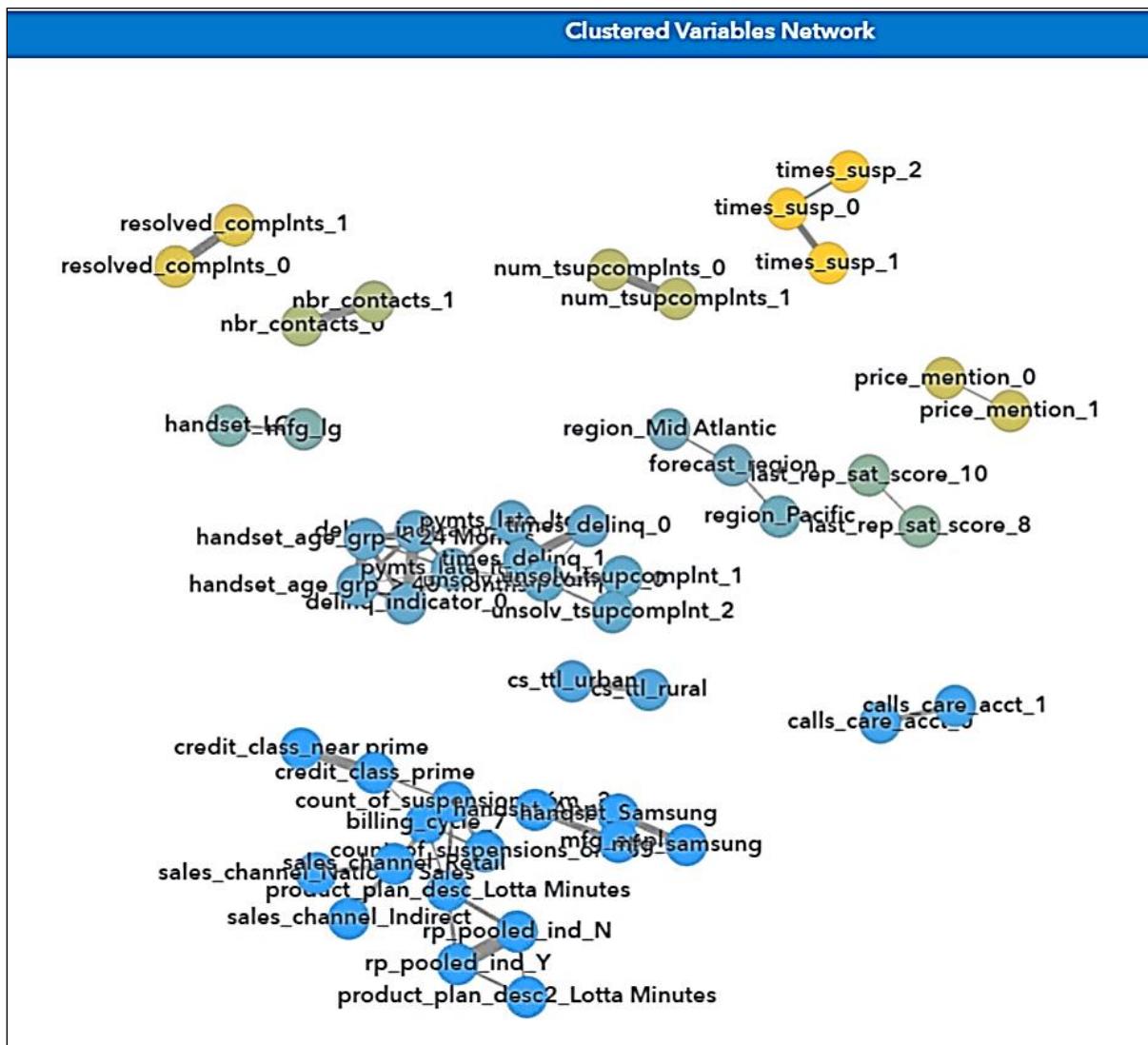
Note: For class variables, the principal component might be blank. This is valid and expected.

| Clustered Variables Table | | | | |
|---------------------------|--------------------------|-----------------------------|-------------------|-----------------------|
| Cluster ID | Variable | Variable Label | Variable Selected | Principal Component 1 |
| _CLUS1 | cs_ttl_rural | Census Area Total Rural | YES | 0.7071 |
| _CLUS1 | cs_ttl_urban | Census Area Total Urban | NO | -0.7071 |
| _CLUS2 | forecast_region | Forecasted Region Key | YES | 0.6639 |
| _CLUS2 | region_Mid Atlantic | Account Region=Mid Atlantic | NO | -0.5163 |
| _CLUS2 | region_Pacific | Account Region=Pacific | NO | 0.5410 |
| _CLUS3 | count_of_susensions_6m_3 | Times Suspended Last 6M=.3 | YES | 0.3886 |
| _CLUS3 | count_of_susensions_6m_0 | Times Suspended Last 6M=0 | YES | -0.2685 |
| _CLUS3 | billing_cycle_7 | Billing Cycle=7 | NO | 0.3449 |
| _CLUS3 | credit_class_near prime | Credit Class=near prime | NO | -0.1613 |
| _CLUS3 | credit_class_prime | Credit Class=prime | NO | 0.2153 |
| _CLUS3 | handset_Apple | Handset Mfg=Apple | NO | 0.2701 |
| _CLUS3 | handset_Samsung | Handset Mfg=Samsung | NO | -0.1943 |
| _CLUS3 | mfg_apple | Own Apple | NO | -0.1050 |

The first column has cluster membership against each variable. Scrolling down in the Clustered Variables table shows that there are nearly 12 clusters created. Each cluster has a different number of inputs. The second-to-last column has information about the input variables selected (YES) or not selected (NO) within each cluster by the node. You can verify that the original class variables are kept or dropped in the selection process and not the dummy variables.

Graphical LASSO based on Friedman, Hastie, and Tibshirani (2008) is performed. It estimates the inverse covariance matrix at a specified regularization parameter ($\rho=0.8$ in this case). The inverse covariance matrix interprets the partial correlation between variables given other variables. Conditional dependency among variables is interpreted by estimating the inverse covariance matrix. The off-diagonal elements of an inverse covariance matrix correspond to partial correlations, so the zero elements imply conditional independence between the pair of variables. The conditional independence provides a better model for understanding the direct link between variables than does simple correlation analysis, which models each pair of variables without considering other variables.

6. Restore the view of the Clustered Variables table.
7. Expand the Clustered Variables Network.

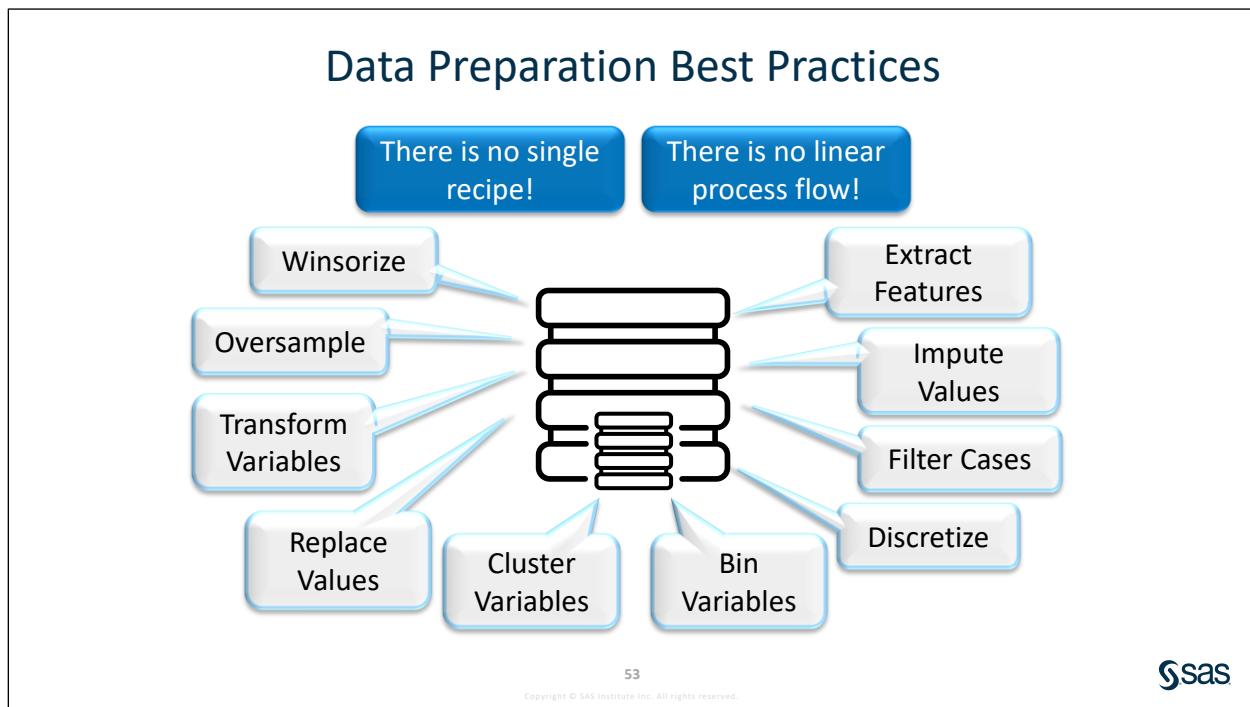


This is a spatial map that gives the orientation and relative distance of clusters and cluster members. Cluster members with a stronger link are connected by a thicker line. There are clearly **12** clusters standing out in different color shades. Many of them seem to be closer and consequently similar. Thus, you might want to try decreasing the number of clusters.

8. Restore the view of the Clustered Variables Network.
9. Close the results.

End of Demonstration

2.6 Best Practices



Data preprocessing covers a range of processes that are different for raw, structured, and unstructured data (from one or multiple sources). Data preprocessing processes focus on improving the quality of data and their completeness, standardizing how it is defined and structured, collecting and consolidating it, and taking transformation steps to make it useful, particularly for machine learning analysis. The selection and type of preparation processes can differ depending on your purpose, your data expertise, how you plan to interact with the data, and what type of questions you want to answer.

The table below summarizes some challenges that you might encounter in preparing your data. It also includes suggestions for how to handle the challenge by using the Data Mining Preprocessing pipeline nodes in Model Studio.

| Data Problem | Common Challenges | Suggested Best Practice |
|-----------------|---|--|
| Data collection | <ul style="list-style-type: none"> • Biased data • Incomplete data • High-dimensional data • Sparsity | <ul style="list-style-type: none"> • Take time to understand the business problem and its context • Enrich the data • Dimension reduction (Feature Extraction, Variable Clustering, and Variable Selection nodes) • Change representation of data (Transformations node) |

| Data Problem | Common Challenges | Suggested Best Practice |
|-----------------------------------|--|---|
| “Untidy” data | <ul style="list-style-type: none"> Value ranges as columns Multiple variables in the same column Variables in both rows and columns | <ul style="list-style-type: none"> Transform the data with SAS code (Code node) |
| Outliers | <ul style="list-style-type: none"> Out-of-range numeric values and unknown categorical values in score data | <ul style="list-style-type: none"> Discretization (Transformations node) Winsorizing (Imputation node) |
| Sparse target variables | <ul style="list-style-type: none"> Low primary event occurrence rate Overwhelming preponderance of zero or missing values in target | <ul style="list-style-type: none"> Proportional oversampling |
| Variables of disparate magnitudes | <ul style="list-style-type: none"> Misleading variable importance Distance measure imbalance Gradient dominance | <ul style="list-style-type: none"> Standardization (Transformations node) |
| High-cardinality variables | <ul style="list-style-type: none"> Overfitting Unknown categorical values in holdout data | <ul style="list-style-type: none"> Binning (Transformations node) Replacement (Replacement node) |
| Missing data | <ul style="list-style-type: none"> Information loss Bias | <ul style="list-style-type: none"> Binning (Transformations node) Imputation (Imputation node) |
| Strong multicollinearity | <ul style="list-style-type: none"> Unstable parameter estimates | <ul style="list-style-type: none"> Dimension reduction (Feature Extraction, Variable Clustering, and Variable Selection nodes) |

Note: Some of these challenges can also be handled in the modeling stage, such as using tree-based methods for handling missing data automatically, which is discussed in subsequent lessons.

Feature Engineering Capabilities in SAS Visual Data Mining and Machine Learning

| | SAS Procedure | Model Studio Nodes |
|-----------------------|-----------------|---------------------|
| Constructing features | DATA Step | SAS Code |
| Selecting features | VARREDUCE | Variable Selection |
| Clustering features | GVARCLUS | Variable Clustering |
| Extracting features | PCA, RPCA, NNET | Feature Extraction |

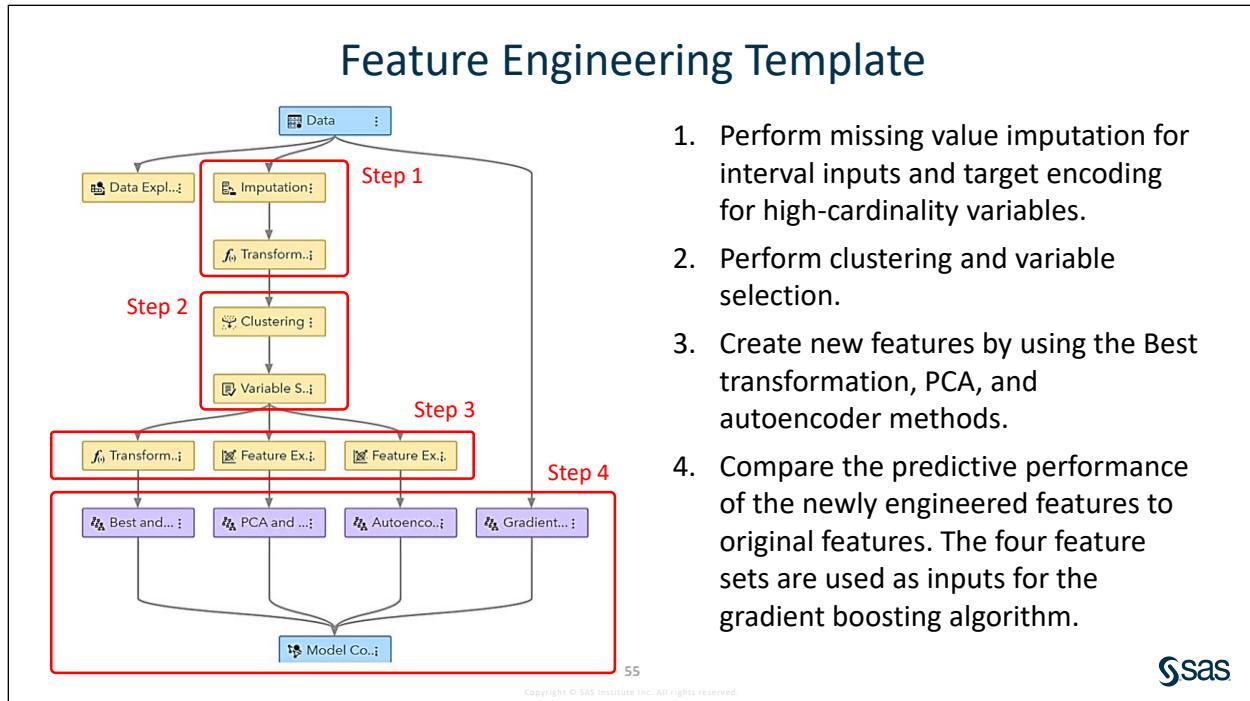
Building and extracting good features requires experience and domain knowledge about the problem and the data that you are working with. Here are the four groups used to classify feature engineering techniques:

1. Constructing new features from a combination of one or more existing features
2. Selecting key features using supervised or unsupervised techniques
3. Clustering features into groups
4. Extracting new features from existing features

There are various feature engineering techniques (PROCs and corresponding nodes in Model Studio) available in SAS Viya. Some of them you have already dealt with in previous sections.

For more details, see **4 ways to classify feature engineering in SAS Viya**.

(<https://communities.sas.com/t5/SAS-Communities-Library/4-ways-to-classify-feature-engineering-in-SAS-Viya/ta-p/508855>)



Shown above is the feature engineering pipeline template in Model Studio. Whether you perform feature selection or feature extraction, your goal is to include the subset of features that describe most, but not all, of the variance and to reduce the signal-to-noise ratio in your data. Although intuition would tell you that elimination of features equates to a loss of information, in the end, this loss is compensated for by the ability of the model to more accurately map the remaining features to the target in a lower-dimensional space. The result is simpler models, shorter training times, improved generalization, and a greater ability to visualize the feature space.

Some high-dimensional data sets require special attention to perform feature extraction efficiently. One example is a data set of user ratings for items (such as movies) in which each column represents an item and each row is a user (or vice versa).

In the template above, the Imputation node imputes missing values in interval inputs with their respective medians and creates missing indicators that are subsequently used as inputs. The Transformations node connected to the Imputation node performs a target encoding transformation that transforms high-cardinality nominal variables into numeric variables where each unique label is replaced with the mean of the target variable of that category. The Clustering node then performs observation-based clustering for segmenting data into two to six clusters, followed by a Variable Selection node that performs two supervised methods of variable selection to reduce the number of inputs.

Note: Make sure that the variables with high cardinality are not rejected from the analysis. (By default, Model Studio rejects nominal variables that has more than 20 levels.) You might want to increase the highest acceptable cardinality level to 1000 using the Advisor Options.

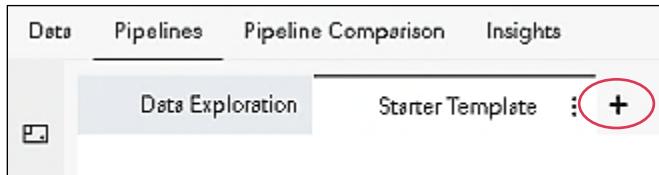
More effective transformations for high-cardinality variables include target-based transformations such as creating a feature that captures the frequency of the occurrence of each level of the nominal variable. For high cardinality, this helps a lot! You might use ratio or percentage of a level to all the levels present. Similarly, you can encode a high-cardinality variable by using another numeric input variable by choosing the max, min, or median value of that variable for each level of the high-cardinality nominal variable. WOE (weight of evidence) encoding is another powerful target-based transformation.



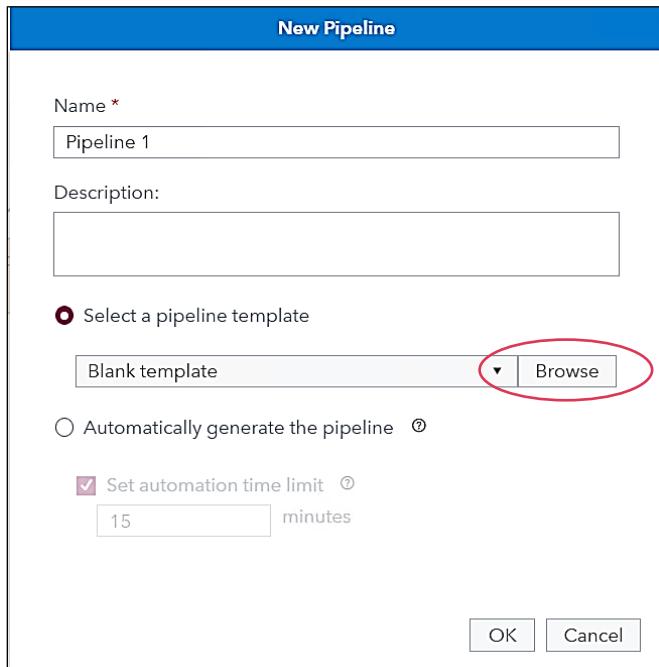
Running the Feature Engineering Pipeline Template (Self-Study)

In this demonstration, you run the automated feature engineering pipeline template on **commsdata**.

1. Click the plus sign next to the current pipeline tab in the upper left corner of the canvas.



2. In the New Pipeline window, click **Browse** under **Select a pipeline template**.



Note: Some of the options on the Template menu might be different on your classroom computer.

3. In the Browse Templates window, select **Feature engineering template**. Click **OK**.

| Browse Templates | | | | |
|---|---|--------------|--------------------------|--|
| <input type="text"/> Filter | | | | |
| Template Name | Description | Owner | Last Modified | |
| Basic template for class target | Data mining pipeline that contains a Data, Imputation, Logistic Regression, and Model Comparison node connected in a linear flow. | SAS Pipeline | Jan 7, 2020, 6:41:58 PM | |
| Basic template for interval target | Data mining pipeline that contains a Data, Imputation, Linear Regression, and Model Comparison node connected in a linear flow. | SAS Pipeline | Jan 7, 2020, 6:41:59 PM | |
| Blank template | Data mining pipeline that contains only a data node. | SAS Pipeline | Jan 7, 2020, 6:41:59 PM | |
| CPML demo pipeline | This pipeline was created in the CPML class. It includes a logistic regression model and some data preparation. | Student | Jan 31, 2020, 7:00:42 AM | |
| Feature engineering template | Data mining pipeline that performs feature engineering. | SAS Pipeline | Jan 7, 2020, 6:41:57 PM | |
| Intermediate template for class target | Data mining pipeline that extends the basic template for a class target by adding a stepwise logistic regression model and a decision tree. | SAS Pipeline | Jan 7, 2020, 6:42:01 PM | |
| Intermediate template for interval target | Data mining pipeline that extends the basic template for an interval target by adding a stepwise linear regression model and a decision tree. | SAS Pipeline | Jan 7, 2020, 6:42:03 PM | |
| Manage Variable Test Pipeline | | Student | Jan 31, 2020, 2:27:16 AM | |

4. In the New Pipeline window, enter the name **Feature Engineering**.

New Pipeline

Name *

Description:

Select a pipeline template

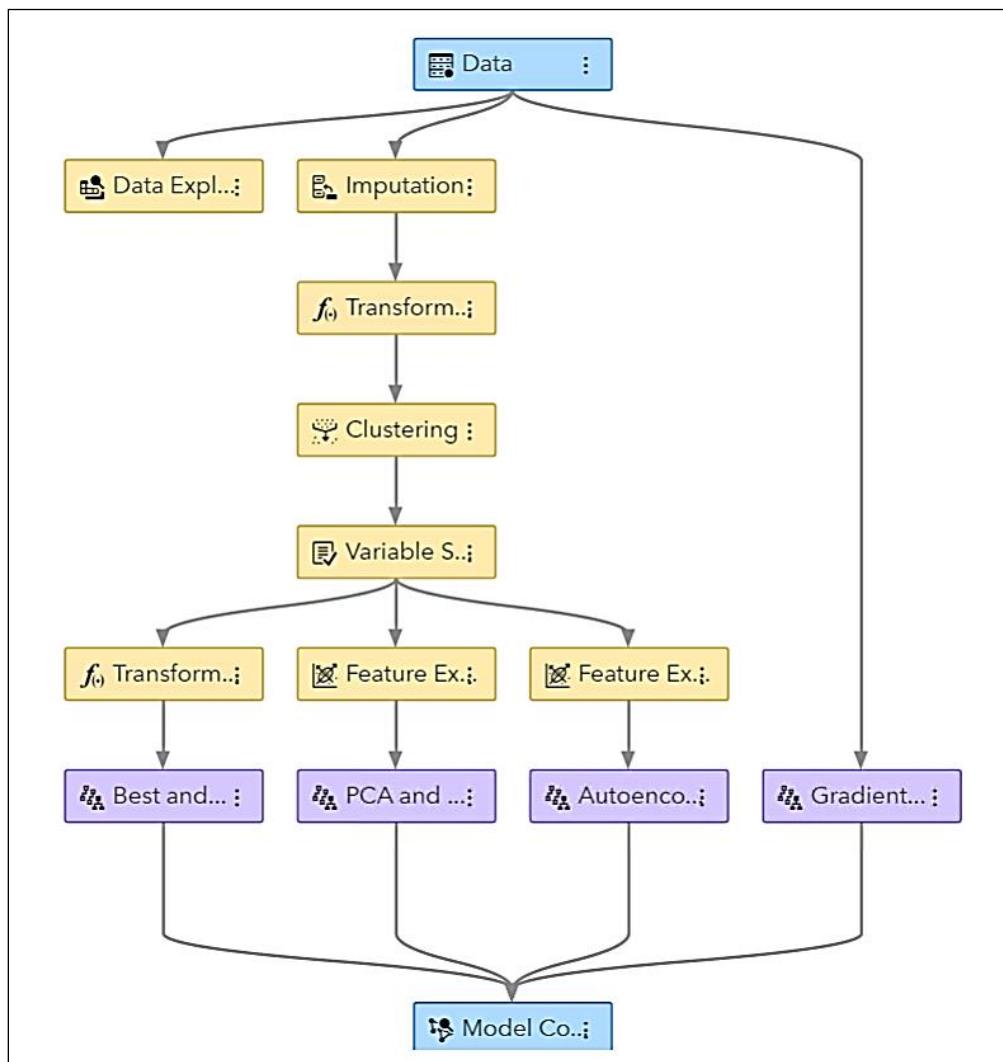
Feature engineering template

Automatically generate the pipeline ②

Set automation time limit ②

minutes

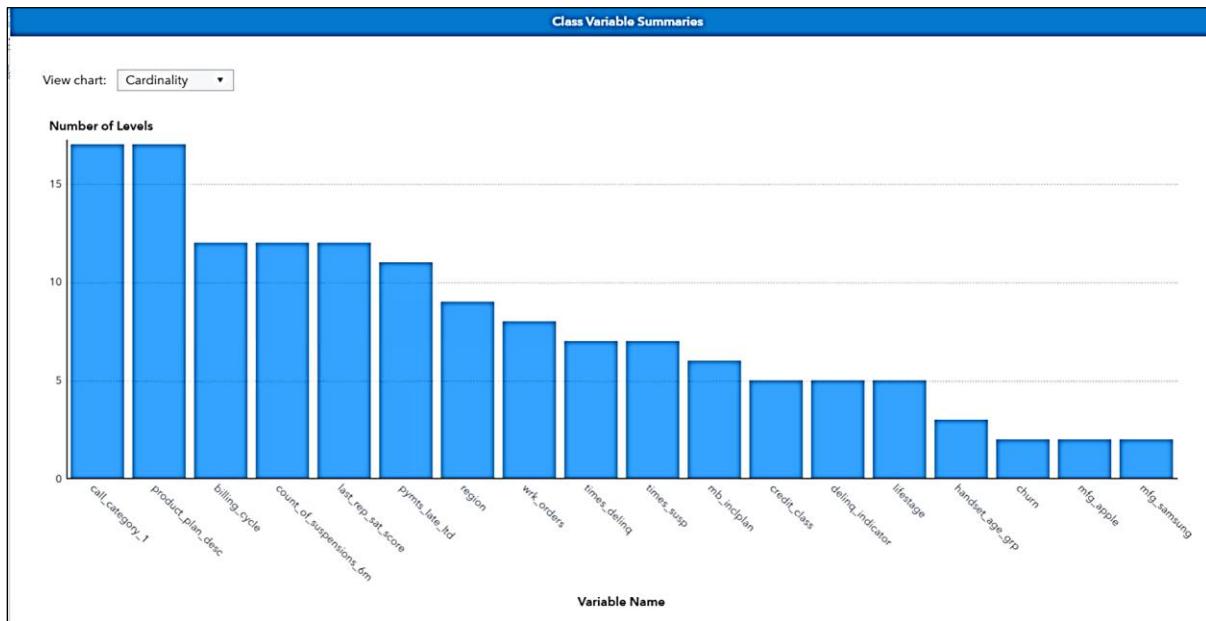
OK Cancel

5. Click **OK**.

The template automatically creates engineered features by using popular feature transformation and extraction techniques. The idea is to automatically learn a set of features (from potentially noisy, raw data) that can be useful in supervised learning tasks without manually creating engineered features.

6. Right-click the **Data Exploration** node and select **Run**.

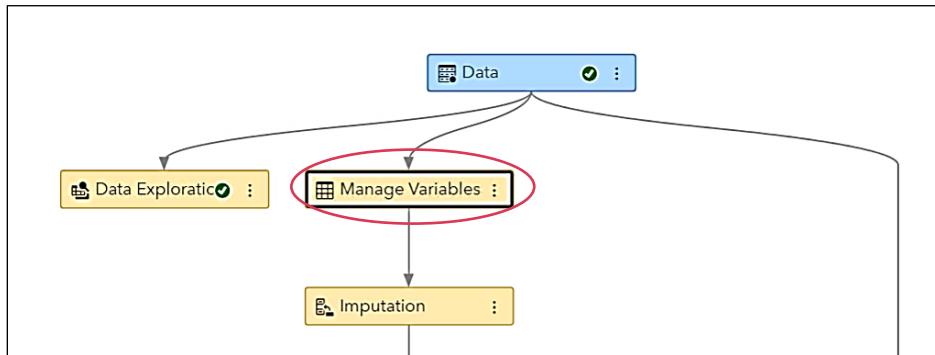
7. Open the results. Expand the **Class Variables Summaries** bar chart and observe that the data does not contain high-cardinality variables.



8. Exit the maximized view and close the results.
 9. Expand the **Nodes** pane on the left side of the canvas. Expand **Data Mining Preprocessing**.



10. Click and drag the **Manage Variables** node and drop it between the Data node and the Imputation node.

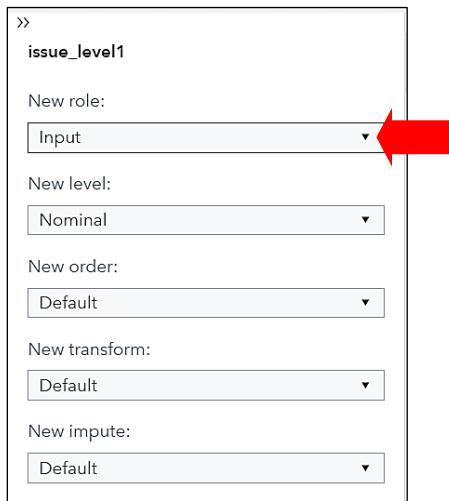


11. Run the **Manage Variables** node.
12. After the node runs, right-click the node again and select the **Manage Variables** option.
13. In the Manage Variables window, click the **Comments** column heading twice to sort by this column. Notice that the variables that exceed the maximum number of levels cutoff are grouped together.
14. Select **issue_level1**. This variable has 55 categories.

| | Variable Name | Type | Label | Role | Comment | Count |
|-------------------------------------|--------------------|-----------|---|----------|---|-------|
| <input type="checkbox"/> | mou_roam_6m_normal | Numeric | 6M Avg Minutes Roaming Normally Distributed | Rejected | The variable exceeds the percentage of missing cutoff value. | 254 |
| <input type="checkbox"/> | mou_roam_pct_MOM | Numeric | Minutes Roaming Pct Change Month over Month | Rejected | The variable exceeds the percentage of missing cutoff value. | 254 |
| <input type="checkbox"/> | call_category_2 | Character | Call Center Category 2 | Rejected | The variable exceeds the maximum number of levels cutoff value. | 21 |
| <input type="checkbox"/> | call_center | Character | Last Call Center Used | Rejected | The variable exceeds the maximum number of levels cutoff value. | 108 |
| <input type="checkbox"/> | city | Character | Account City | Rejected | The variable exceeds the maximum number of levels cutoff value. | 254 |
| <input checked="" type="checkbox"/> | issue_level1 | Character | Call Center Issue Level 1 | Rejected | The variable exceeds the maximum number of levels cutoff value. | 55 |
| <input type="checkbox"/> | issue_level2 | Character | Call Center Issue Level 2 | Rejected | The variable exceeds the maximum number of levels cutoff value. | 254 |
| <input type="checkbox"/> | resolution | Character | Final Resolution | Rejected | The variable exceeds the maximum number of levels cutoff value. | 254 |

call_category_2, call_center, city, issue_level1, issue_level2, resolution, and state are all high-cardinality nominal input variables that were rejected earlier due to the default cutoff of 20 categories. You can select all of them if you want them to be included in the analysis. To reduce the processing time, we select only one of them.

15. Change its **New role** from Rejected to **Input**.



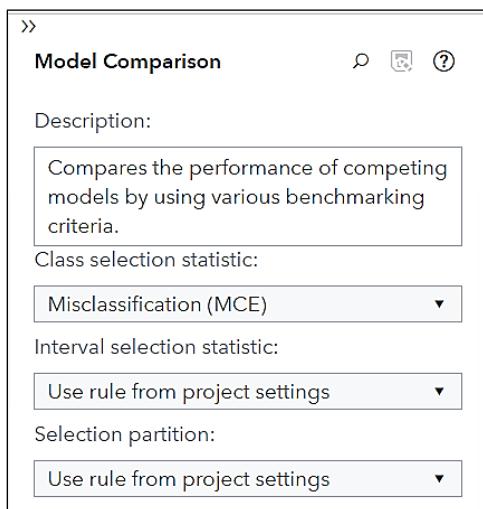
16. After altering the metadata, ensure that you have deselected these variables.

17. Select **Close** to exit the Manage Variables window. Click **Save** when asked if you want to save the changes. The attribute alterations are applied.

18. Run the **Variable Selection** node.

Resulting output variables from the Clustering node such as cluster label (**_CLUSTER_ID_**) and distance to centroid (**_DISTANCE_**) were used as inputs in the Variable Selection node.

19. In Model Comparison node, change the Class selection statistic from **Use rule from project settings** to **Misclassification (MCE)**.



20. From here on, select each node one-by-one, right-click, and select **Run**. Do **not** click the Run pipeline icon.

Note: Running this template can substantially increase the run time. Remember that limited resources are available in your class environment. Automatic hyperparameter tuning (autotuning) is turned on to find the optimal hyperparameter settings of the gradient boosting algorithm, so the comparison between feature sets is fairer and not dependent on the hyperparameters. However, keep in mind that autotuning comes with an additional computing cost. If this step takes too long to run, you can change the autotuning settings, or simply turn it off and use the default hyperparameter settings. With the default settings in the template, we recommend running this pipeline node-by-node. You might encounter an error of insufficient resources if you run the entire pipeline.

21. After the entire pipeline has successfully run, right-click the **Model Comparison** node and select **Results**.
22. Examine the Model Comparison table. Unless specified, the default fit statistic (KS) is used for selecting a champion model with a class target.

| Model Comparison | | | | | |
|------------------|-----------------------------------|-------------------|------------------------|-----------------------------|--|
| Champion | Name | Algorithm Name | Misclassification Rate | Misclassification at Cutoff | |
| | Best and Gradient Boosting | Gradient Boosting | 0.0559 | 0.0559 | |
| | Gradient Boosting | Gradient Boosting | 0.0560 | 0.0560 | |
| | PCA and Gradient Boosting | Gradient Boosting | 0.0560 | 0.0560 | |
| | Autoencoder and Gradient Boosting | Gradient Boosting | 0.0572 | 0.0572 | |

Explore the results.

You compare the performance of the four different feature sets (three automatically engineered sets and the original set without target encoding).

It is important to remember that using this template does not guarantee that one of the automatically created feature sets perform better than the original features for your data, because every data set is unique, and this template uses only a few techniques. Instead, the goal of this is to show an example of how you can create different automatically engineered feature sets by using many other tools provided in Model Studio and test their performance in a similar way with minimal effort.

23. Click **Close** to close the Model Comparison Results window.

End of Demonstration

2.7 Selecting Your Algorithm

Essential Discovery Tasks



- Select an algorithm.
- Improve the model.
- Optimize complexity of the model.
- Regularize and tune hyperparameters of the model.
- Build ensemble models.
- Attempt other algorithms.

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When you are presented with a data set, the first thing to consider is how to obtain results, no matter what those results might look like. So let's transition to the essential discovery tasks. We start by discussing some big picture guidelines on selecting an algorithm.

After this brief introduction to selecting an algorithm, the essential discovery tasks are covered in detail in the next several lessons.

Selecting Your Algorithm

Again, there is no single recipe! Try many different models.

You can guide the decision of which algorithm to use by answering a few key questions:

- What is the size and nature of your data?
- What are you trying to achieve with your model?
- How accurate does your model need to be?
- How much time do you have to train your model?
- How interpretable or understandable does your model need to be?
- Does your model have automatic hyperparameter tuning capability?

(Wujek, Hall, and Güneş 2016)

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Users with less experience tend to choose algorithms that are easy to implement and can obtain results quickly. This approach is acceptable if it is the first step of the process. After you obtain some results and become more familiar with the data, you might spend more time experimenting with more sophisticated algorithms. This might strengthen your understanding of the data and potentially further improve the results.

Even in this stage, the best algorithms might not be the methods that have achieved the highest reported accuracy. Most algorithms usually require careful tuning and extensive training to obtain the best achievable performance. Selecting the modeling algorithm for your machine learning application can sometimes be the most difficult part. The decision about which algorithm to use can be guided by answering a few key questions (Wujek, Hall, and Güneş 2016).

What is the size and nature of your data? If you expect a linear relationship between your features and your target, linear or logistic regression or a linear kernel support vector machine might be enough. Linear models are also a good choice for large data sets due to their training efficiency and due to the curse of dimensionality. As the number of features increase, the distance between points grows and observations are more likely to be linearly separable. To an extent, nonlinearity and interaction effects can be captured by adding higher-order polynomial and interaction terms in a regression model. More complex relationships can be modeled through the power of the more sophisticated machine learning algorithms such as decision trees, random forests, neural networks, and nonlinear kernel support vector machines. Of course, these more sophisticated algorithms can require more training time and might be unsuitable for very large data sets.

What are you trying to achieve with your model? Are you creating a model to classify observations, predict a value for an interval target, detect patterns or anomalies, or provide recommendations? Answering this question will direct you to a subset of machine learning algorithms that specialize in the problem.

How accurate does your model need to be? Although you always want your model to be as accurate as possible when applied to new data, it is still always good to strive for simplicity. Simpler models train faster and are easier to understand, making it easier to explain how and why the results were achieved. Simpler models are also easier to deploy. Start with a regression model as a benchmark, and then train a more complex model such as a neural net, random forest, or gradient boosted model. If your regression model is much less accurate than the more complex model, you have probably missed some important predictor or interaction of predictors. An additional benefit of a simpler model is that it is less prone to overfitting the training data.

How much time do you have to train your model? This question goes together with the question of how accurate your model needs to be. If you need to train a model in a short amount of time, linear or logistic regression and decision trees are probably your best options. If training time is not an issue, take advantage of the powerful algorithms (neural networks, support vector machines, gradient boosting, and so on) that iteratively refine the model to better represent complex relationships between features and the target of interest.

How interpretable or understandable does your model need to be? It is very important to establish the expectations of your model consumer about how explainable your model must be. If an uninterpretable prediction is acceptable, you should use as sophisticated an algorithm as you can afford in terms of time and computational resources. Train a neural network, a support vector machine, or any flavor of ensemble model to achieve a highly accurate and generalizable model. If interpretability or explainable documentation is important, use decision trees or a regression technique, and consider using penalized regression techniques, generalized additive models, quantile regression, or model averaging to refine your model.

Does your model have automatic hyperparameter tuning capability? Optimal hyperparameter settings are extremely data dependent. Therefore, it is difficult to offer a general rule about how to identify a subset of important hyperparameters for a learning algorithm or how to find optimal values of each hyperparameter that would work for all data sets. Controlling hyperparameters of a learning algorithm is very important because proper control can increase accuracy and prevent overfitting.

The following table presents some best practices for selecting SAS Visual Data Mining and Machine Learning supervised learning algorithms:

| Algorithm Type | Target Type | Usage | Scale | Interpretability | Auto-tuning | Common Concerns |
|------------------------------------|--|--|--------------------------|------------------|-------------|---|
| Regression (Linear, Logistic, GLM) | <ul style="list-style-type: none"> Linear regression and GLM for interval target. Logistic regression for nominal and binary target. | <ul style="list-style-type: none"> Modeling linear or linearly separable phenomena. Manually specifying nonlinear and explicit interaction. LASSO regression includes a regularization term for linear and logistic regression to deal with multicollinearity and overfitting issues. | Small to large data sets | High | No | <ul style="list-style-type: none"> Missing values Outliers Standardization Parameter tuning |

| Algorithm Type | Target Type | Usage | Scale | Interpretability | Auto-tuning | Common Concerns |
|--|---|---|-------------------------------|------------------|-------------|---|
| SVM | Binary | Modeling linear or linearly separable phenomena by using linear kernels or polynomial kernels up to degree three | Small to large data sets | Low | Yes | <ul style="list-style-type: none"> • Missing values • Overfitting • Outliers • Standardization • Parameter tuning |
| Tree-based Modeling (Decision Tree, Forest, Gradient Boosting) | <ul style="list-style-type: none"> • Interval • Binary • Nominal | <ul style="list-style-type: none"> • Modeling nonlinear and nonlinearly separable phenomena in large data sets • Interactions considered automatically, but implicitly • Missing values and outliers in input variables handled automatically in many implementations • Tree ensembles (forests, gradient boosting) can increase prediction accuracy and decrease overfitting, but also decrease scalability and interpretability | Mid-size to large data sets | Moderate | Yes | <ul style="list-style-type: none"> • Instability with small training sets • Gradient boosting can be unstable with noise or outliers • Overfitting • Parameter tuning |
| Neural Network | <ul style="list-style-type: none"> • Interval • Binary • Nominal | <ul style="list-style-type: none"> • Modeling nonlinear and nonlinearly separable phenomena. • All interactions considered in fully connected, multilayer topologies. | Mid-size to large data sets | Low | Yes | <ul style="list-style-type: none"> • Missing values • Overfitting • Outliers • Standardization • Parameter tuning |
| Bayesian Network | <ul style="list-style-type: none"> • Binary • Nominal | <ul style="list-style-type: none"> • Modeling linearly separable phenomena in large data sets. • Well suited for extremely large data sets where complex methods are intractable. | Small to very large data sets | Moderate | Yes | <ul style="list-style-type: none"> • Linear independence assumption • Infrequent categorical levels |

2.8 Solutions

Solutions to Activities and Questions

2.01 Multiple Answer Question – Correct Answer

The Data Exploration node in Model Studio enables you to do which of the following? (Select all that apply.)

- a. profile a data set
- b. observe the most important inputs or suspicious variables
- c. drop variables that have deviation from normality
- d. select variables with high percentage of nonmissing values as inputs

2.02 Multiple Choice Question – Correct Answer

Which of the following statements is **true** while defining metadata in Model Studio?

- a. The Data tab enable you to edit variable values by changing the lower limit or the upper limit (or both).
- b. The Replacement node cannot replace outliers and unknown class levels unless you specify the metadata prior to this node.
- c. Metadata properties can be defined either on the Data tab or in the Manage Variables node and then can be invoked by using an appropriate node.
- d. none of the above

2.03 Multiple Choice Question – Correct Answer

Which of the following statements is **true** about the Text Mining node?

- a. It enables you to process audio/video data in a media collection.
- b. It does not allow terms and documents to belong to multiple topics.
- c. It transforms term-by-document frequency matrix using singular value decomposition (SVD) to provide binary variables.
- d. It creates topics based on groups of terms that occur together in several documents. Each term-document pair is assigned a score for every topic.

2.04 Multiple Choice Question – Correct Answer

Why bin an input?

- a. It can reduce the effects of an outlier.
- b. It can classify missing values (into a category or bin).
- c. It can generate multiple effects.
- d. all of the above

Lesson 3 Decision Trees and Ensembles of Trees

| | |
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| Solutions to Activities and Questions | 3-86 |

3.1 Introduction



Now that you have ensured that you have enough appropriate data, massaged the data into a form suitable for modeling, identified key features to include in your model, and established how the model is to be used, you are ready to use powerful machine learning algorithms to build predictive models or discover patterns in your data. This is really the phase where you should allow yourself more freedom to experiment with different approaches to identify the algorithms (and configuration of options for those algorithms) that produce the best model for your specific application.

Essential Discovery Tasks



- Select an algorithm.
- Improve the model.
- Optimize complexity of the model.
- Regularize and tune hyperparameters of the model.
- Build ensemble models.

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Essential Discovery Tasks



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The success of your machine learning application comes down to the effectiveness of the actual model that you build. The popular “no free lunch” theorem (Wolpert 1996) states that no one model works best for every problem. We will start building predictive model by training a decision tree.

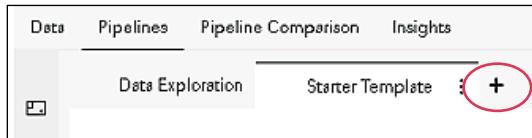
Note: Selecting your algorithm was discussed in a broader sense at the end of Lesson 2. The questions to consider when selecting your modeling algorithm can be considered before discussing details of the algorithms themselves.



Building a Decision Tree Model with Default Settings

In this demonstration, you use the CPML Demo Pipeline as a starting place in a new pipeline in the **Demo** project. You add a Decision Tree node and build a decision tree model using the default settings of the node.

1. Return to the **Demo** project and click the **Pipelines** tab. Click the plus sign (+) next to the Starter Template tab to add a new pipeline.



2. In the New Pipeline window, enter **Lesson 3** in the **Name** field. For **Template**, click **Browse**.

New Pipeline

Name *

 ←

Description:

 ←

Select a pipeline template

Blank template ▼ Browse ←

Automatically generate the pipeline ?

Set automation time limit ?

minutes

3. Scroll down as needed in the Browse Template window and select **CPML demo pipeline**. This is the pipeline that was saved to the Exchange in the previous lesson. Click **OK**.

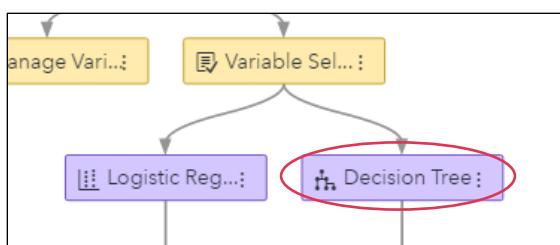
| Browse Templates | | | | |
|---|--|--------------|--------------------------|--|
| Template Name | Description | Owner | Last Modified | |
| Advanced template for class target | Data mining pipeline that extends the intermediate template for a class target by adding neural network, forest, and gradient boosting models. An ensemble model is also provided. | SAS Pipeline | Apr 18, 2019, 8:38:54 PM | |
| Advanced template for class target with autotuning | Data mining pipeline for a class target that contains autotuned tree, forest, neural network, and gradient boosting models. | SAS Pipeline | Apr 18, 2019, 8:38:45 PM | |
| Advanced template for interval target | Data mining pipeline that extends the intermediate template for an interval target by adding neural network, forest, and gradient boosting models. An ensemble model is also provided. | SAS Pipeline | Apr 18, 2019, 8:39:08 PM | |
| Advanced template for interval target with autotuning | Data mining pipeline for an interval target that contains autotuned tree, forest, neural network, and gradient boosting models. | SAS Pipeline | Apr 18, 2019, 8:39:03 PM | |
| Basic template for class target | Data mining pipeline that contains a Data, Imputation, Logistic Regression, and Model Comparison node connected in a linear flow. | SAS Pipeline | Apr 18, 2019, 8:39:18 PM | |
| Basic template for interval target | Data mining pipeline that contains a Data, Imputation, Linear Regression, and Model Comparison node connected in a linear flow. | SAS Pipeline | Apr 18, 2019, 8:39:20 PM | |
| Blank template | Data mining pipeline that contains only a data node. | SAS Pipeline | Apr 18, 2019, 8:39:24 PM | |
| CPML demo pipeline | This pipeline was created in the CPML class. It includes a logistic regression model and some data preparation. | sasdemo | May 9, 2019, 4:26:33 PM | |
| Feature engineering template | Data mining pipeline that performs feature engineering. | SAS Pipeline | Apr 18, 2019, 8:39:13 PM | |
| Intermediate template for class target | Data mining pipeline that extends the basic template for a class target by adding a stepwise logistic regression model and a decision tree. | SAS Pipeline | Apr 18, 2019, 8:39:30 PM | |
| Intermediate template for interval target | Data mining pipeline that extends the basic template for an interval target by adding a stepwise linear regression model and a decision tree. | SAS Pipeline | Apr 18, 2019, 8:39:33 PM | |

4. Click **OK** in the New Pipeline window.

New Pipeline

| | |
|---|--------------------|
| Name * | Lesson 3 |
| Description: | |
| <input checked="" type="radio"/> Select a pipeline template | CPML demo pipeline |
| <input type="radio"/> Automatically generate the pipeline | |
| <input checked="" type="checkbox"/> Set automation time limit | 15 minutes |
| <input type="button" value="OK"/> <input type="button" value="Cancel"/> | |

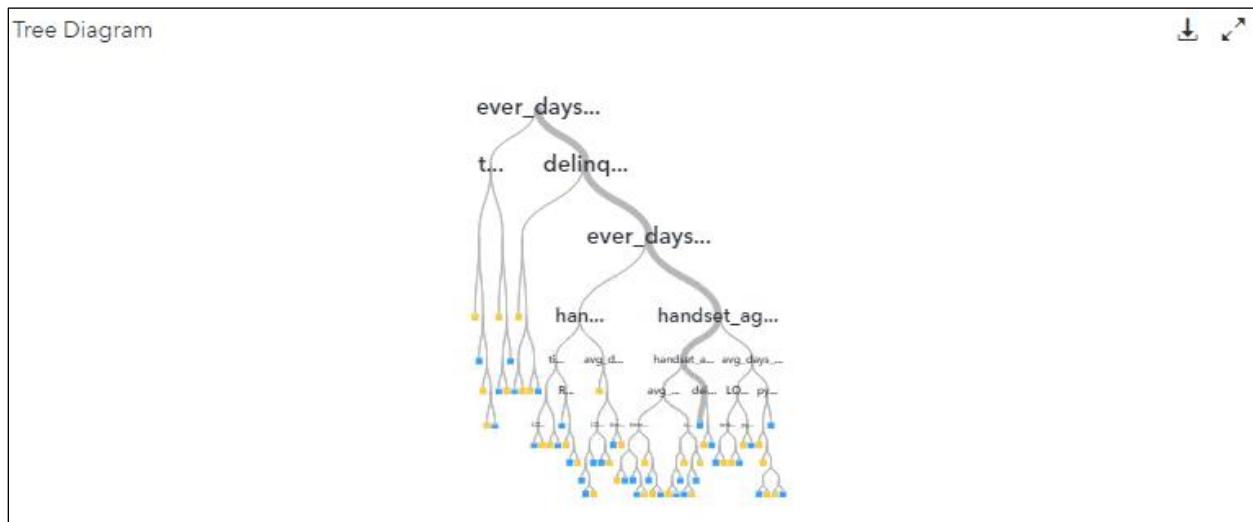
5. In the Lesson 3 pipeline, right-click the **Variable Selection** node and select **Add child node** \Rightarrow **Supervised Learning** \Rightarrow **Decision Tree**.



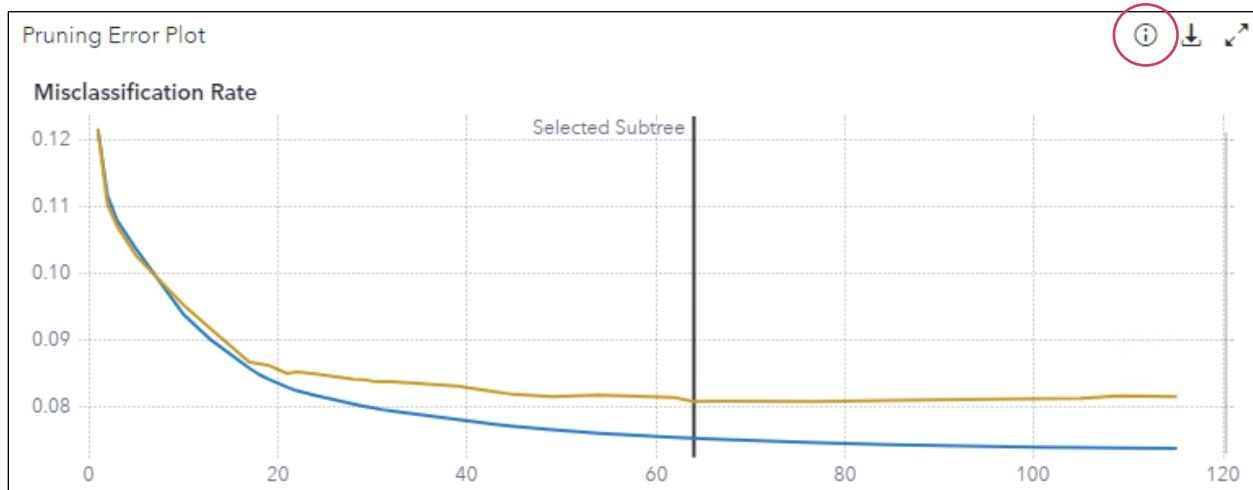
6. Keep all properties for the decision tree at their defaults. Run the **Decision Tree** node.

7. Open the results for the Decision Tree node.

There are several charts and plots to help you in evaluating the model's performance. The first plot is the *Tree Diagram*, which presents the final tree structure for this particular model, such as the depth of the tree and all end leaves.



The *Pruning Error plot* shows the model's performance based on the misclassification rate – because the target is binary – throughout the recursive splitting process when new end leaves have been added to the final model. Click to view an automated description of the pruning error plot.



The *Variable Importance table* shows the input variables that are most significant to the final model. The most important input variable has its relative importance as 1 and all others are measured based on the most important input.

| Variable Importance | | | | |
|------------------------------|-------|---------------------|--------------------|-------------------|
| Variable Label | Role | Variable Name | Validation Impo... | Importance Sta... |
| Total Days Over Plan | INPUT | ever_days_over_plan | 439.6575 | 0 |
| Handset Age Group | INPUT | handset_age_grp | 228.6591 | 0 |
| Days Suspended Last 6M | INPUT | avg_days_susp | 215.8883 | 0 |
| Delinquent Indicator | INPUT | delinq_indicator | 134.5005 | 0 |
| Total Late Payments Lifetime | INPUT | pymts_late_ltd | 85.8653 | 0 |

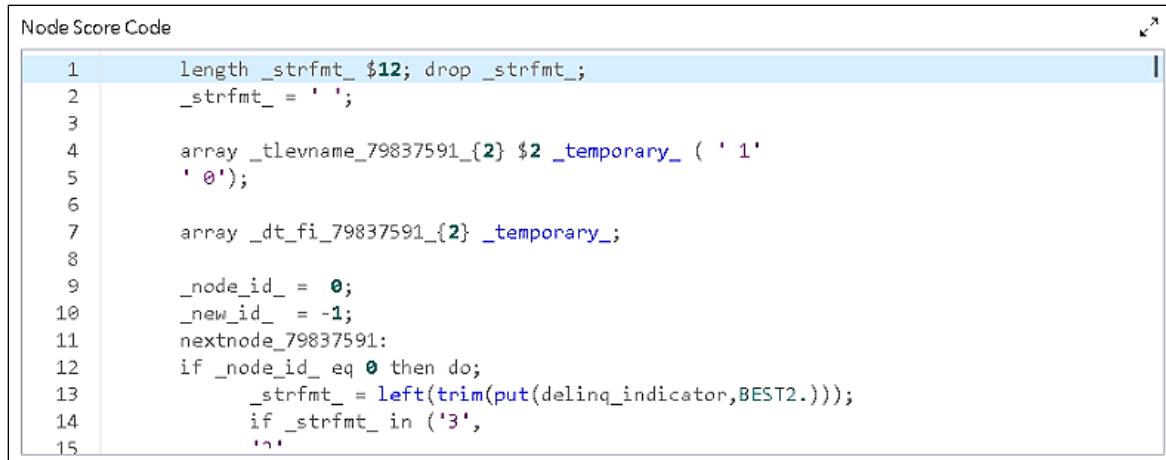
The Validation Importance column is the maximum RSS-based variable importance.

The Importance Standard Deviation column shows the dispersion of the importance taken over partially independent several trees. That's the reason it has all zero values for a single tree. The numbers would be non-zero for forest and gradient boosting. Therefore, you can conveniently ignore this column in a decision tree model.

The Relative Importance column (not shown in the display capture above) measures variable importance based on the change of residual sum of squares (RSS) when a split is found at a node. It is a number between 0 and 1, which is calculated as the RSS-based importance of this variable divided by the maximum RSS-based importance among all the variables (for example, $439.658/439.658=1$, $228.659/439.658.128=0.520$, and so on). The RSS and relative importance are calculated from the validation data. If no validation data exist, they are calculated instead from the training data.

The Count column (not shown in the display capture above) shows how many times a variable is used in splitting in the decision tree.

Model Studio gives three types of scoring code. The *Node Score Code* window shows the individual score code for a specific node that can be deployed in production. You get this score code against every node in the Data Mining Preprocessing and the Supervised Learning groups that creates DATA step score code. The nodes that create ASTORE score file does not generate this output.



```

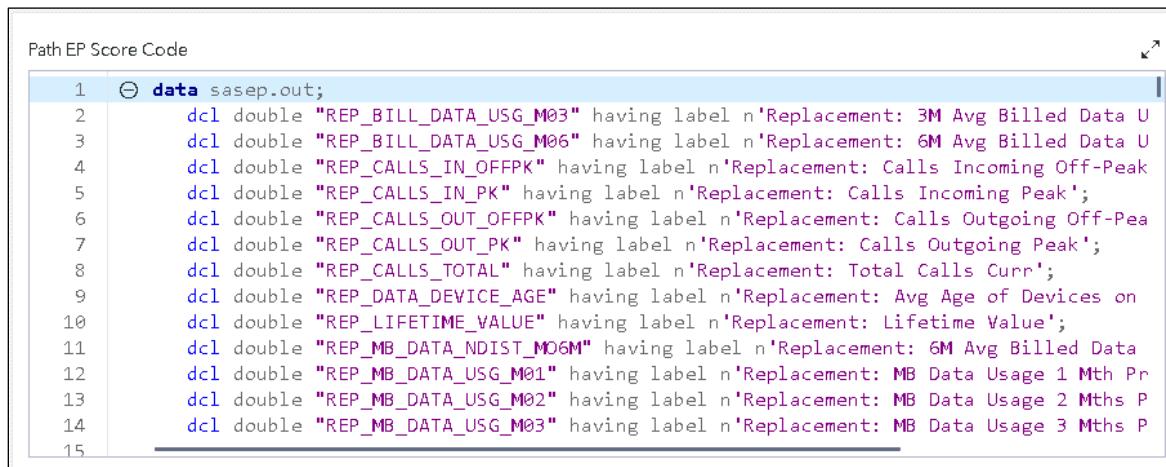
Node Score Code

1   length _strfmt_ $12; drop _strfmt_;
2   _strfmt_ = ' ';
3
4   array _tlevname_79837591_{2} $2 _temporary_ ( '1'
5   '0');
6
7   array _dt_fi_79837591_{2} _temporary_;
8
9   _node_id_ = 0;
10  _new_id_ = -1;
11  nextnode_79837591:
12  if _node_id_ eq 0 then do;
13      _strfmt_ = left(trim(put(deling_indicator,BEST2.)));
14      if _strfmt_ in ('3',
15      '5')

```

After you add a model in the pipeline (a Supervised Learning node), that node generates two additional score codes and a train code.

The *Path EP Score Code* is the “flow score code,” which includes score code for all the nodes until and including that modeling node.



```

Path EP Score Code

1   data sasep.out;
2       dcl double "REP_BILL_DATA_USG_M03" having label n'Replacement: 3M Avg Billed Data U
3       dcl double "REP_BILL_DATA_USG_M06" having label n'Replacement: 6M Avg Billed Data U
4       dcl double "REP_CALLS_IN_OFFPK" having label n'Replacement: Calls Incoming Off-Peak
5       dcl double "REP_CALLS_IN_PK" having label n'Replacement: Calls Incoming Peak';
6       dcl double "REP_CALLS_OUT_OFFPK" having label n'Replacement: Calls Outgoing Off-Pea
7       dcl double "REP_CALLS_OUT_PK" having label n'Replacement: Calls Outgoing Peak';
8       dcl double "REP_CALLS_TOTAL" having label n'Replacement: Total Calls Curr';
9       dcl double "REP_DATA_DEVICE_AGE" having label n'Replacement: Avg Age of Devices on
10      dcl double "REP_LIFETIME_VALUE" having label n'Replacement: Lifetime Value';
11      dcl double "REP_MB_DATA_NDIST_M06M" having label n'Replacement: 6M Avg Billed Data
12      dcl double "REP_MB_DATA_USG_M01" having label n'Replacement: MB Data Usage 1 Mth Pr
13      dcl double "REP_MB_DATA_USG_M02" having label n'Replacement: MB Data Usage 2 Mths P
14      dcl double "REP_MB_DATA_USG_M03" having label n'Replacement: MB Data Usage 3 Mths P

```

Typically, the Path Score Code or Path EP Score Code is the score code that would be used in other SAS environments (for example, SAS Studio) for scoring. EP stands for Embedded Process, and perhaps it is the underlying engine for in-database scoring (via scoring accelerators). The Path EP Score code that you get from any of the nodes in the process flow creates an ASTORE score file (here due to Text Mining node). Otherwise, you get Path Score Code. In addition, the *DS2 Package Code* (shown below) is score code packaged slightly differently. As a DS2 package, this score code can be used for MAS (SAS Micro Analytic Service). Note that both the Path EP Score Code and the DS2 Package Code are score codes written in DS2.

DS2 Package Code

```

1 package MS_0cd884cf78784110be4361eef84ecfa3_31MAY2019022342719 / overwrite=yes;
2   dcl double "REP_BILL_DATA_USG_M03" having label n'Replacement: 3M Avg Billed Data U
3   dcl double "REP_BILL_DATA_USG_M06" having label n'Replacement: 6M Avg Billed Data U
4   dcl double "REP_CALLS_IN_OFFPK" having label n'Replacement: Calls Incoming Off-Peak
5   dcl double "REP_CALLS_IN_PK" having label n'Replacement: Calls Incoming Peak';
6   dcl double "REP_CALLS_OUT_OFFPK" having label n'Replacement: Calls Outgoing Off-Peak
7   dcl double "REP_CALLS_OUT_PK" having label n'Replacement: Calls Outgoing Peak';
8   dcl double "REP_CALLS_TOTAL" having label n'Replacement: Total Calls Curr';
9   dcl double "REP_DATA_DEVICE_AGE" having label n'Replacement: Avg Age of Devices on
10  dcl double "REP_LIFETIME_VALUE" having label n'Replacement: Lifetime Value';
11  dcl double "REP_MB_DATA_NDIST_M06M" having label n'Replacement: 6M Avg Billed Data
12  dcl double "REP_MB_DATA_USG_M01" having label n'Replacement: MB Data Usage 1 Mth Pr
13  dcl double "REP_MB_DATA_USG_M02" having label n'Replacement: MB Data Usage 2 Mths P
14  dcl double "REP_MB_DATA_USG_M03" having label n'Replacement: MB Data Usage 3 Mths P
15

```

On the other hand, the *Training Code window* shows the SAS training code that can be used to train the model based on different data sets or in different platforms. For example, when you scroll down in the Training Code window, you can see that the TREESPLIT procedure is used to train the decision tree model.

Training Code

```

1 *-----*;
2 * Macro Variables for input, output data and files;
3 %let dm_datalib =;
4 %let dm_lib     = WORK;
5 %let dm_folder  = %sysfunc(pathname(work));
6 *-----*;
7 *-----*;
8 * Training for tree;
9 *-----*;
10 *-----*;
11 * Initializing Variable Macros;
12 *-----*;
13 %macro dm_unary_input;
14 %mend dm_unary_input;
15 %treat dm_unary_input

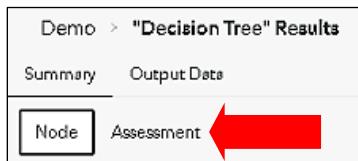
```

Note: There is a new Score Data node in Model Studio that can be used to collect/accumulate score code at any point in the pipeline.

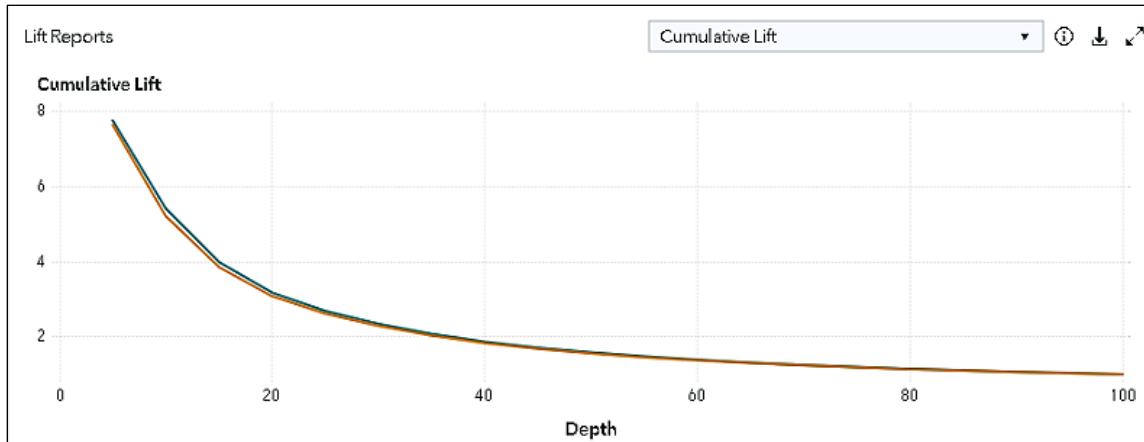
Finally, the Output window shows the final decision tree model parameters, the Variable Importance table, and the pruning iterations.

| The SAS System | |
|---------------------------------|-----------------|
| The TREESPLIT Procedure | |
| Model Information | |
| Split Criterion | IGR |
| Pruning Method | Cost Complexity |
| Max Branches per Node | 2 |
| Max Tree Depth | 10 |
| Tree Depth Before Pruning | 10 |
| Tree Depth After Pruning | 10 |
| Number of Leaves Before Pruning | 160 |
| Number of Leaves After Pruning | 64 |

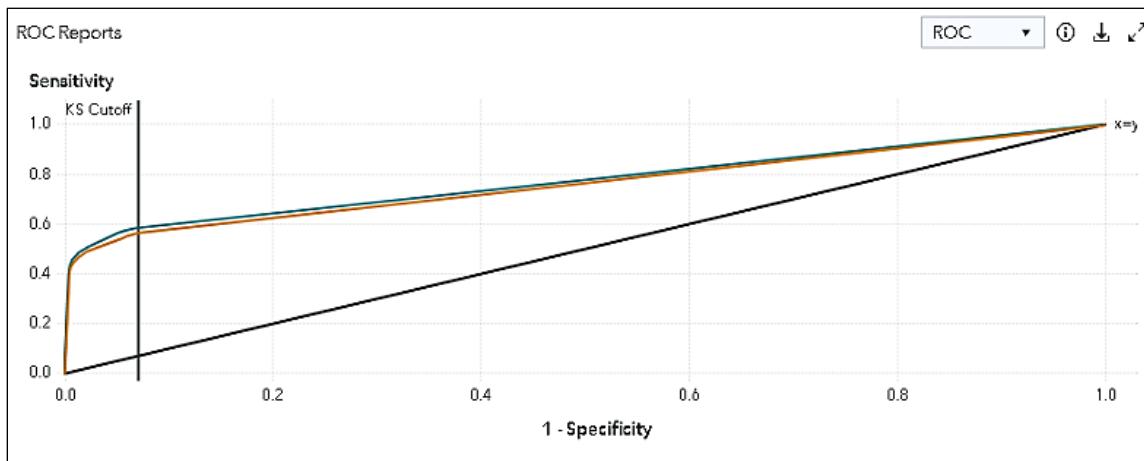
8. Click the **Assessment** tab.



The first chart is the *Cumulative Lift*, showing the model's performance ordered by the percentage of the population. This chart is very useful for selecting the model based on a particular target of the customer base. It shows how much better the model is than the random events.



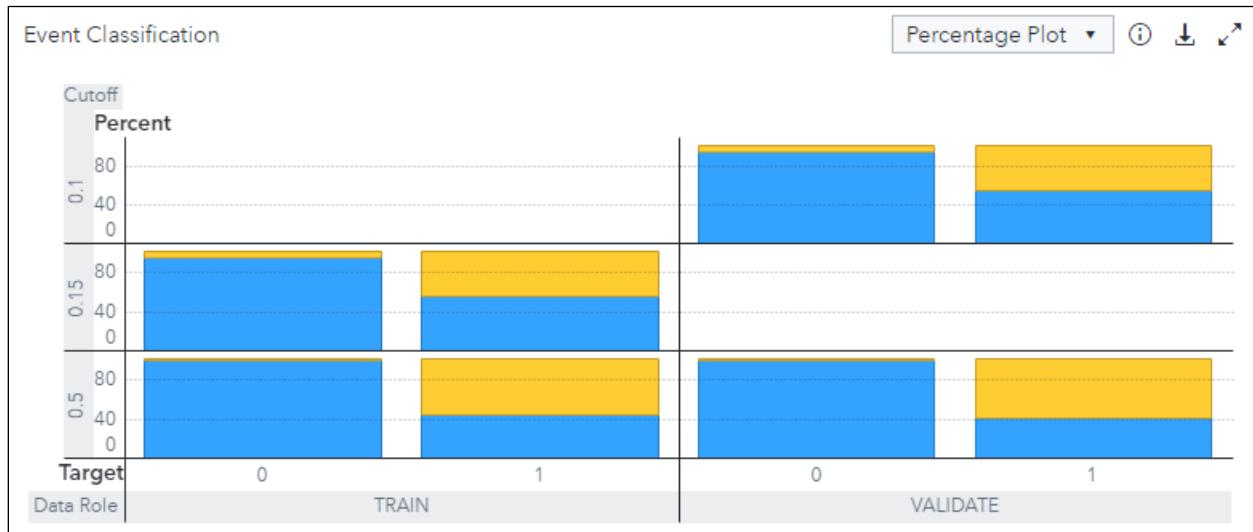
For a binary target, you also have the *ROC curve*, which shows the model's performance considering the true positive rate and the false positive rate. It is good to foresee the performance on a specific business events, when all positive cases are selected. It shows the model's performance based on the positive cases were predicted right and the positive cases were predicted wrong. ROC is very useful for deployment.



The *Fit Statistics output* shows the model's performance based on several assessment measures, such as average squared error. Expand the table to show that the model has an average squared error of 0.0694 on the VALIDATE partition.

| Target ... | Data Role | Partitio... | Format... | Sum of ... | Averag... |
|------------|-----------|-------------|-----------|------------|-----------|
| churn | TRAIN | 1 | 1 | 39,590 | 0.0660 |
| churn | VALIDATE | 0 | 0 | 16,967 | 0.0694 |

Finally, you have the *Event Classification output*, which shows the confusion matrix at various cutoff values for each partition. The default view is based on percentages. A count plot and a table of values are also available.

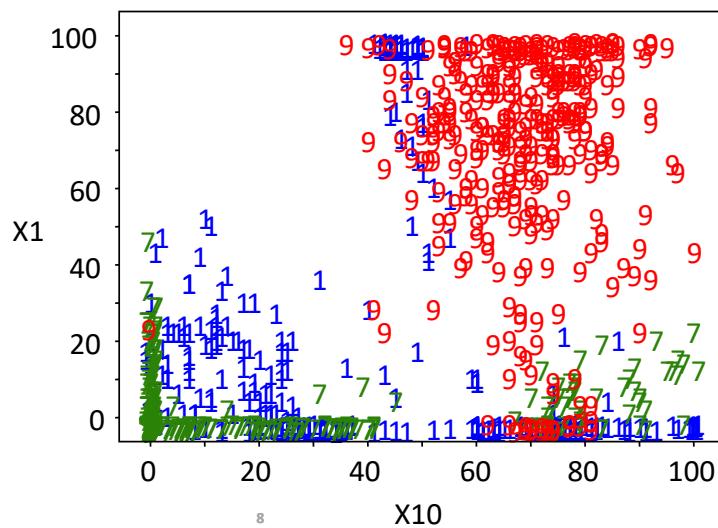
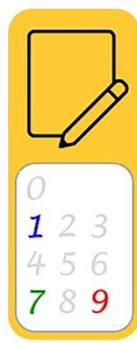


- Close the Results window.

End of Demonstration

3.2 Tree-Structure Models

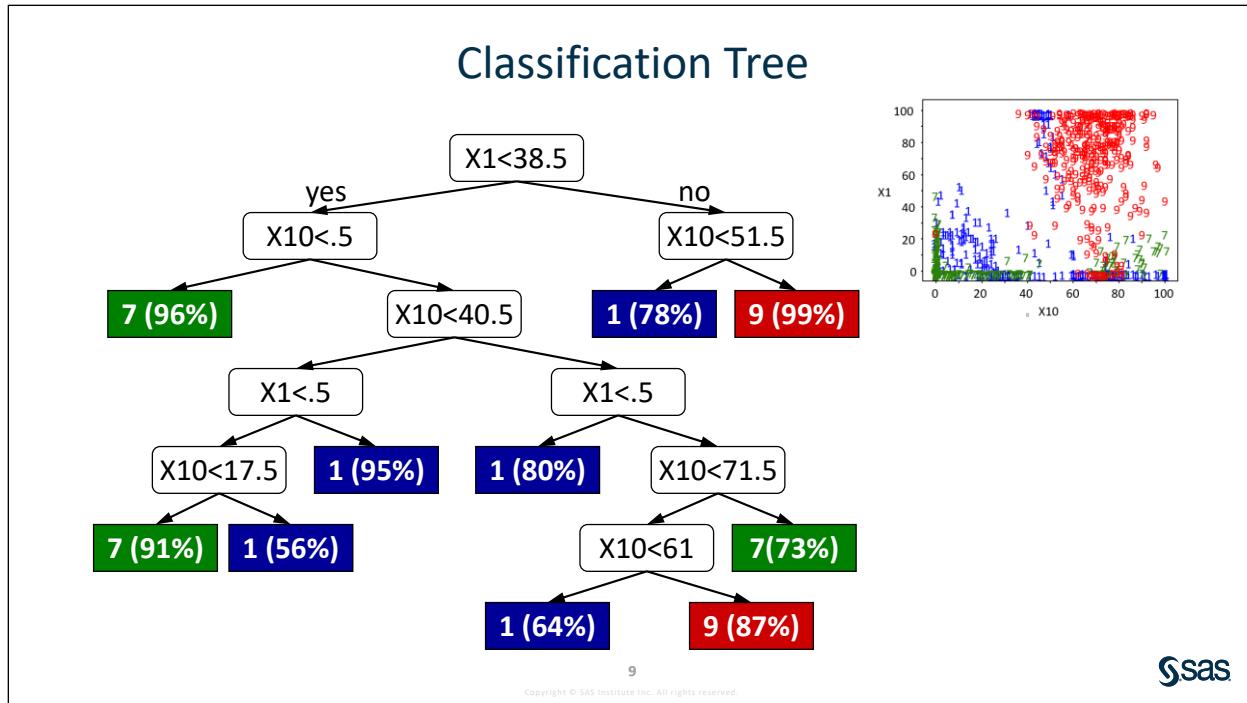
Supervised Prediction for a Nominal Target: Handwriting Recognition



Decision trees are statistical models designed for supervised prediction problems. Supervised prediction encompasses predictive modeling, pattern recognition, discriminant analysis, multivariate function estimation, and supervised machine learning.

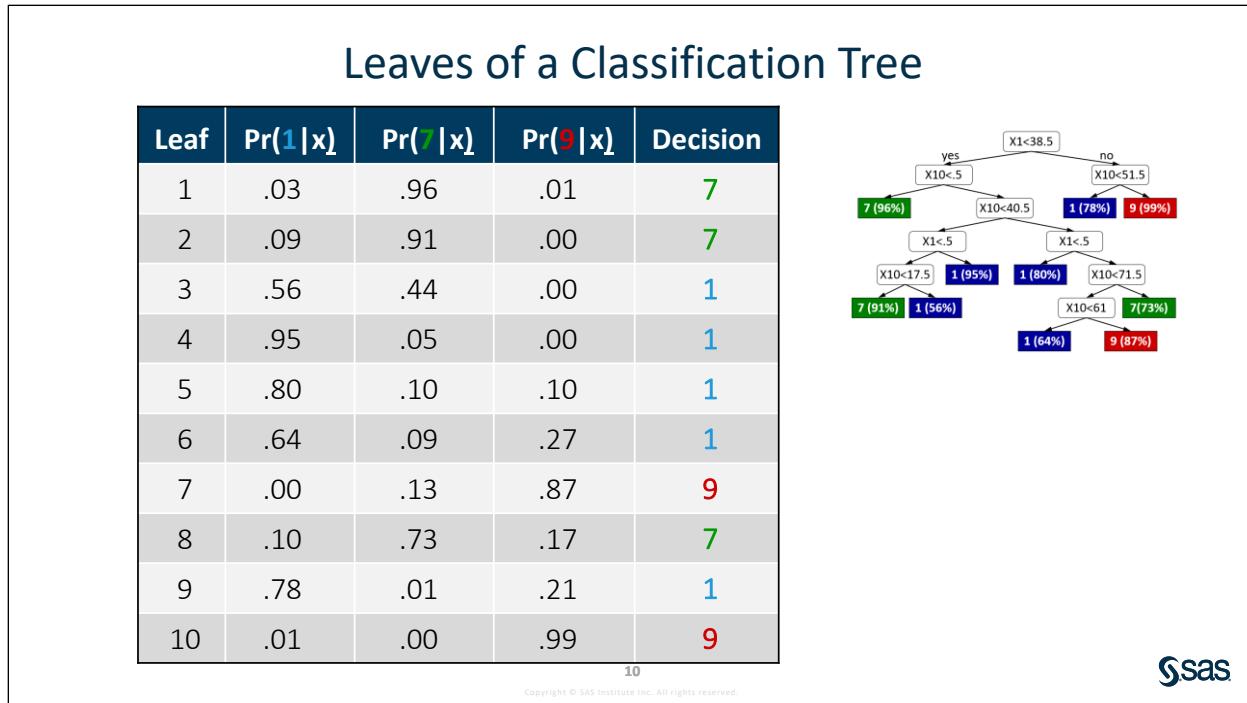
Handwriting recognition is a classic application of supervised prediction. The example data set is a subset of the pen-based recognition of handwritten digits data, available from the UCI repository (Blake et al. 1998). The cases are digits written on a pressure-sensitive tablet. The input variables measure the position of the pen. They are scaled to be between 0 and 100. Two of the original sixteen inputs are shown (**X1** and **X10**). The target is the true written digit (0-9). This subset contains the 1064 cases corresponding to the three digits 1, 7, and 9. Each case represents a point in the input space. (The data were jittered for display because many of the points overlap.)

In the pen-digits data, the inputs have an interval measurement scale and the target has a nominal measurement scale. The generic supervised prediction problem places no restrictions on the scales of the inputs or the target.



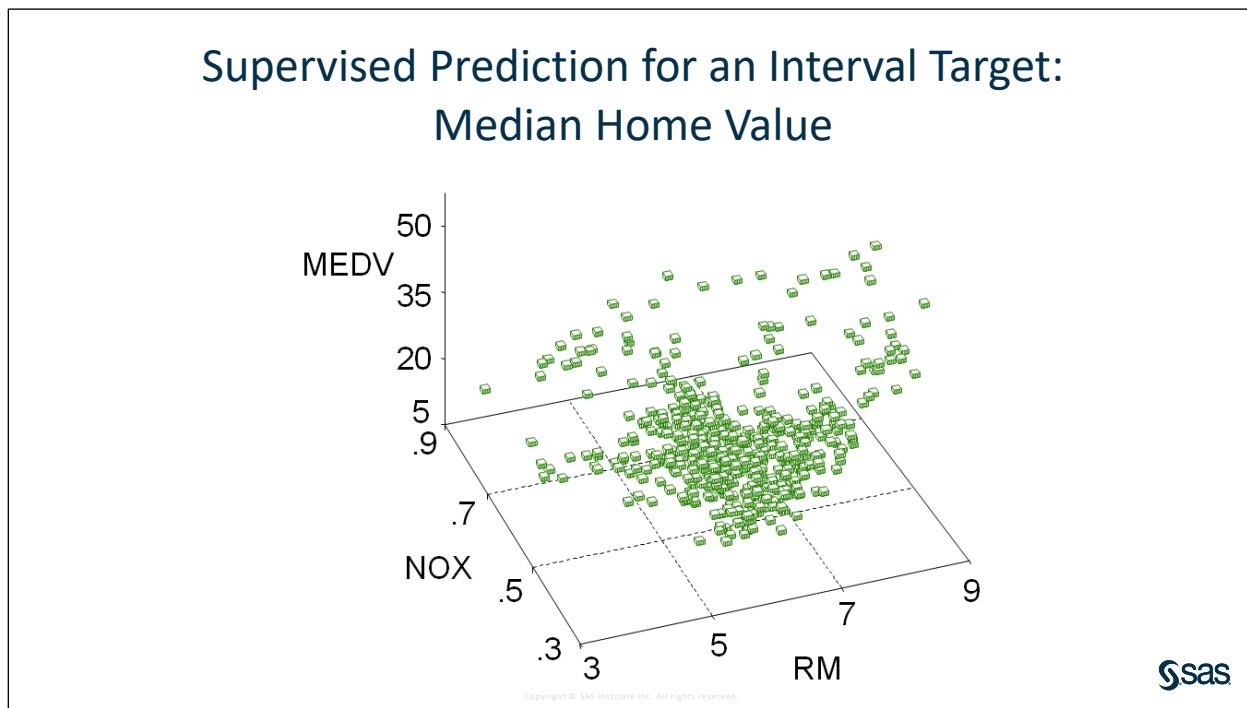
A decision tree is so called because the predictive model can be represented in a tree-like structure. A decision tree is read from the top down starting at the *root node*. Each internal node represents a split based on the values of one of the inputs. The inputs can appear in any number of splits throughout the tree. Cases move down the branch that contains its input value. In a binary tree with interval inputs, each internal node is a simple inequality. A case moves left if the inequality is true and right otherwise. The terminal nodes of the tree are called *leaves*. The leaves represent the predicted target. All cases reaching a particular leaf are given the same predicted value. When the target is categorical, the model is called a *classification tree*. The leaves give the predicted class as well as the probability of class membership.

Note: Decision trees can also have multi-way splits where the values of the inputs are partitioned into disjoint ranges. Multi-way splits request more evaluations for the candidate splits, considering all inputs in all n-way splits. For example, in 4-way splits, all possible candidates for 2-way splits, 3-way splits, and 4-way splits are evaluated.

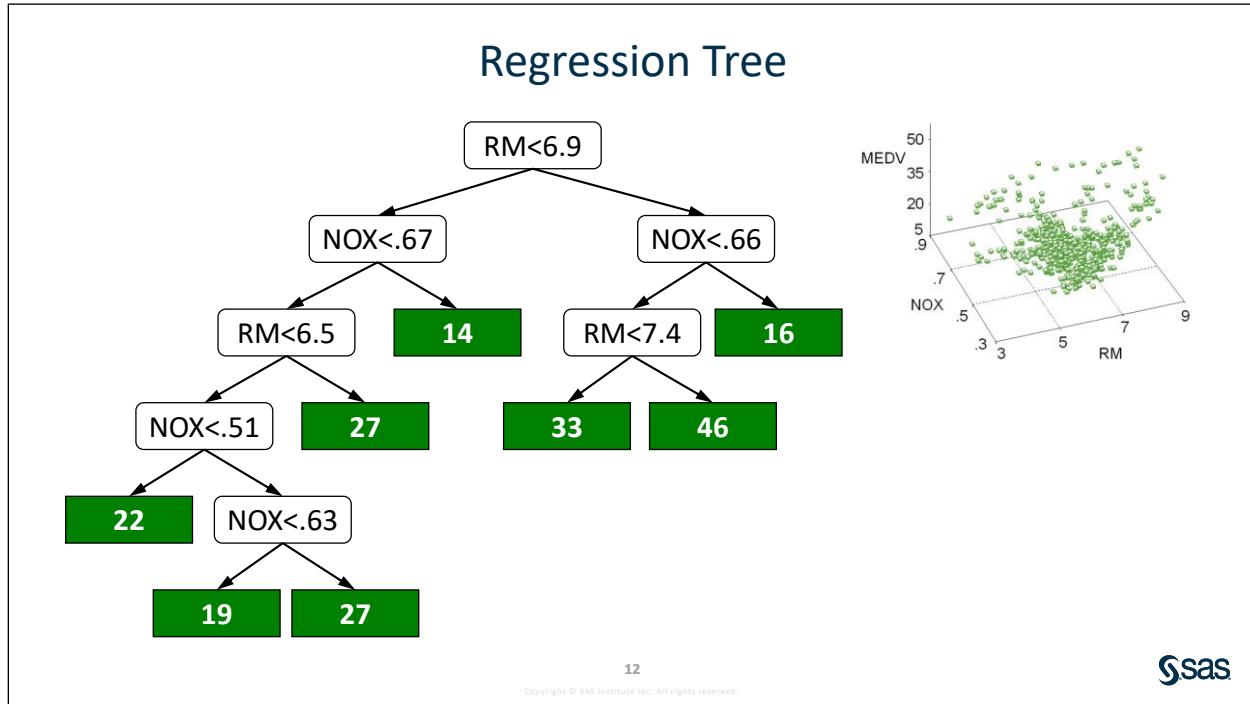


A *classification tree* can be thought of as defining several multivariate step functions. Each function corresponds to the posterior probability of a target class.

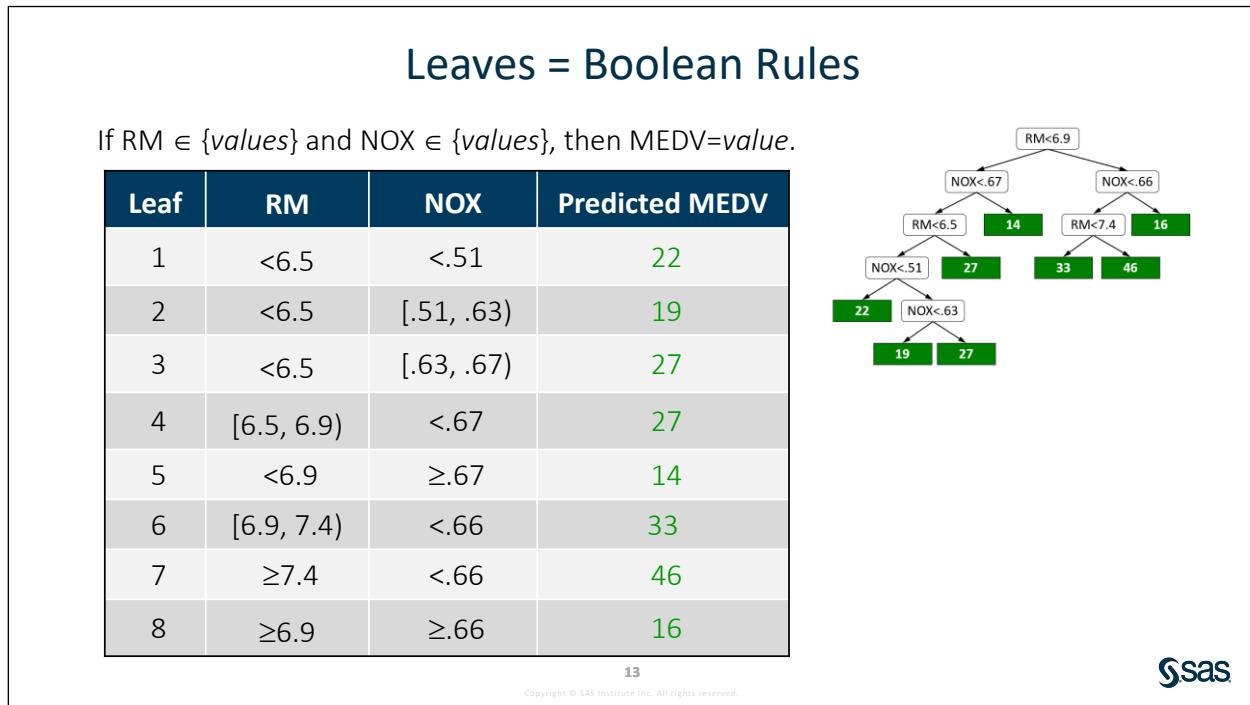
For classification trees, the most frequent response level of the training observations in a leaf is used to classify observations in that leaf.



The Boston housing data are available from the UCI repository (Blake et al. 1998). The cases are 506 census tracts in Boston. The target is the median home value (**MEDV**). Two of the thirteen inputs are shown: the average number of rooms (**RM**) and the nitrogen oxide concentration in the air (**NOX**).



When the target is continuous, the model is called a *regression tree*. The leaves give the predicted value of the target. All cases that reach a particular leaf are assigned the same predicted value.



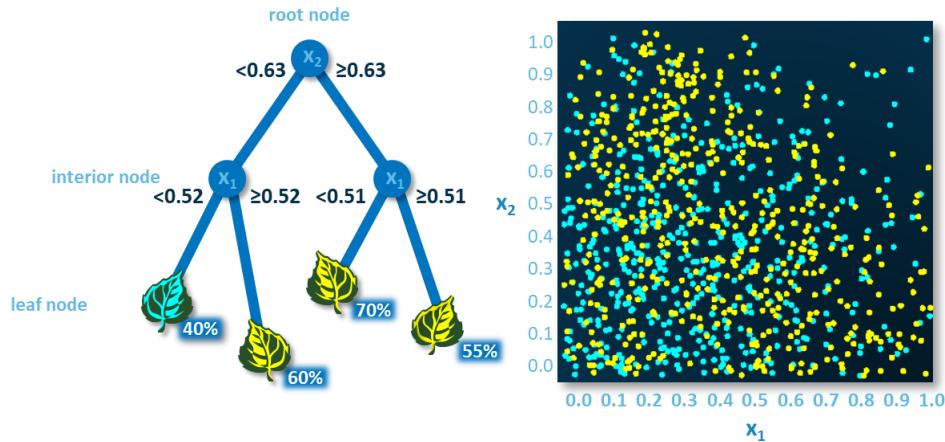
The path to each leaf can be expressed as a Boolean rule. The rules take this form:

If the inputs $\in \{\text{region of the input space}\}$, then the predicted value = *value*.

The regions of the input space are determined by the split values. For interval-scaled inputs, the boundaries of the regions are perpendicular to the split variables. Consequently, the regions are intersections of subspaces defined by a single splitting variable.

For regression trees, the average response of the training observations in a leaf is used to predict the response for observations in that leaf.

Details: Simple Prediction Illustration



Decision trees provide an excellent introduction to predictive modeling. Decision trees, similar to all modeling methods described in this course, address each of the modeling essentials described in the introduction. Cases are scored using *prediction rules*. A *split-search* algorithm facilitates input selection. Model complexity is addressed by *pruning*.

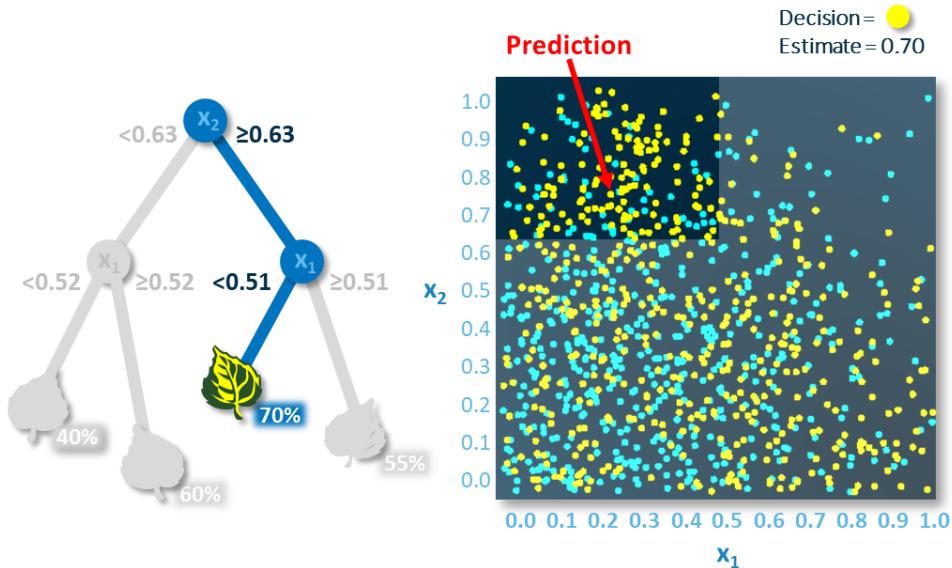
The following simple prediction problem illustrates each of these model essentials.

Consider a data set with two inputs and a binary target. The inputs, x_1 and x_2 , locate the case in the unit square. The target outcome is represented by a color: yellow is primary and blue is secondary. The analysis goal is to predict the outcome based on the location in the unit square.

To predict cases, decision trees use rules that involve the values of the input variables.

The rules are arranged hierarchically in a tree-like structure with nodes connected by lines. The nodes represent decision rules, and the lines order the rules. The first rule, at the base (top) of the tree, is named the *root node*. Subsequent rules are named *interior nodes*. Nodes with only one connection are *leaf nodes*.

The *depth* of a tree specifies the number of generations of nodes. The root node is generation 0. The children of the root node are the first generation, and so on.



To score a new case, examine the input values and apply the rules defined by the decision tree.

The input values of a new case eventually lead to a single leaf in the tree. A tree leaf provides a decision (for example, classify as yellow) and an estimate (for example, the primary-target proportion).

3.01 Multiple Choice Question

Which of the following statements is true regarding decision trees?

- To predict cases, decision trees use rules that involve the values or categories of the input variables.
- Decision trees can handle only categorical targets.
- The predictor variables can appear only in a single split in the tree.
- The splits in decision trees can be only binary.



Improving a Decision Tree Model by Changing the Tree Structure Parameters

In this demonstration, you change the default settings of the Decision Tree node that was just added in the Lesson 3 pipeline. You modify the tree structure parameters and compare this model performance to the models built earlier in the course.

1. To recall, the previous model, based on the default settings, achieved an average squared error of 0.0694 on the VALIDATE partition.
2. Try to improve the model's performance by modifying some of the settings of the decision tree model. Expand the **Splitting Options** properties in the properties pane of the Decision Tree node.
3. Increase **Maximum depth** from 10 to **14**.

This specifies 14 as the maximum number of generations in nodes. The original node, generation 0, is called the root node. The children of the root node are the first generation. Possible values range from 1 to 50.

4. Increase **Minimum leaf size** from 5 to **15**.

This specifies 15 as the smallest number of training observations that a leaf can have.

5. Increase **Number of interval bins** from 50 to **100**.

This specifies 100 as the number of bins used for interval inputs. Bin size is (maximum value – minimum value) / interval bins. You often have many interval inputs in the form of continuous values. Many machine learning algorithms, including decision trees, operate only in discrete search or variable space. Decision trees typically bin the interval inputs to find the split points.

| | |
|--------------------------------|---------------|
| Maximum number of branches: | 2 |
| Maximum depth: | 14 |
| Minimum leaf size: | 15 |
| Missing values: | Use in search |
| Minimum missing use in search: | 1 |
| Number of interval bins: | 100 |

6. Quantile is the default Interval bin method that bins interval input variables where the number of observations in each bin is approximately equal. Bucket is another method that bins interval input variables into fixed-width bins. Run the **Decision Tree** node.
7. Open the results for the Decision Tree node.

8. Click the **Assessment** tab and look at model performance using average squared error in the Fit Statistics table. (You might need to expand the Fit Statistics table.)

| Target ... | Data Role | Partitio... | Formatt... | Sum of ... | Averag... |
|------------|-----------|-------------|------------|------------|-----------|
| churn | TRAIN | 1 | 1 | 39,590 | 0.0617 |
| churn | VALIDATE | 0 | 0 | 16,967 | 0.0663 |

The average squared error for the tuned decision tree model is 0.0663 on the VALIDATE partition. This fit statistic is slightly better (smaller) compared to that of the first model using the default settings.

9. Close the Results window.

End of Demonstration

3.3 Recursive Partitioning

Essential Discovery Tasks

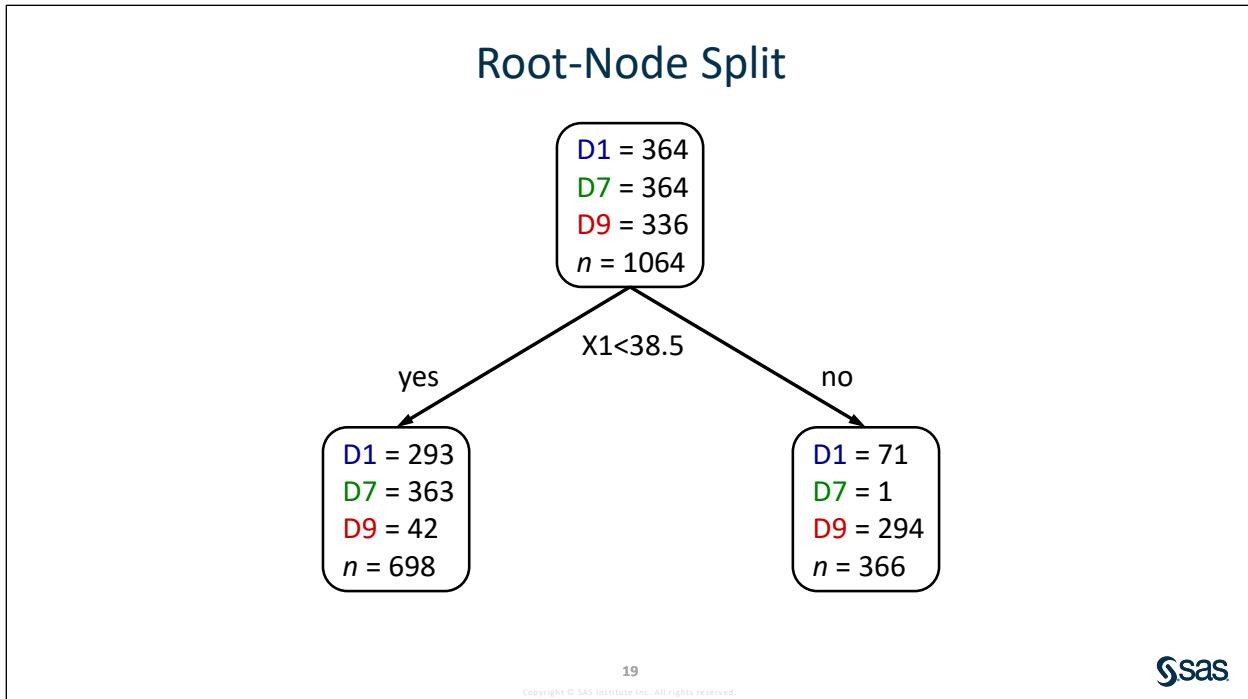


- Select an algorithm.
- Improve the model.
- Optimize complexity of the model.
- Regularize and tune hyperparameters of the model.
- Build ensemble models.

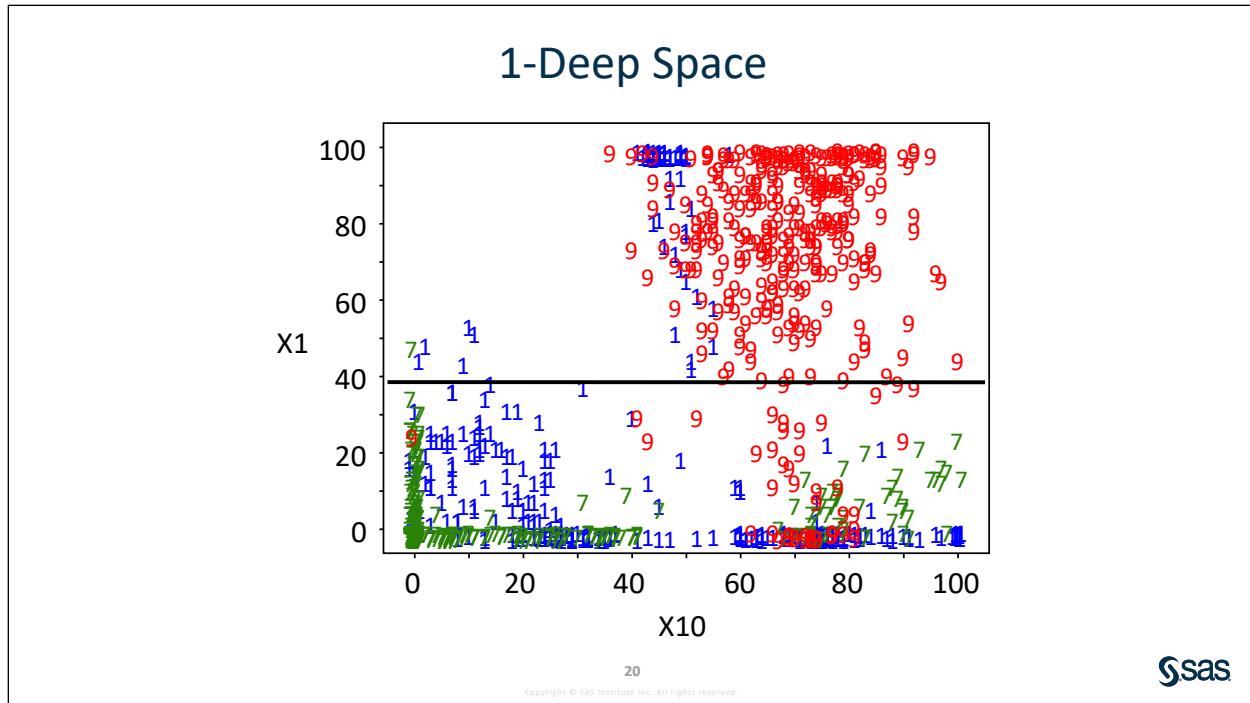
18
Copyright © SAS Institute Inc. All rights reserved.

 sas ...

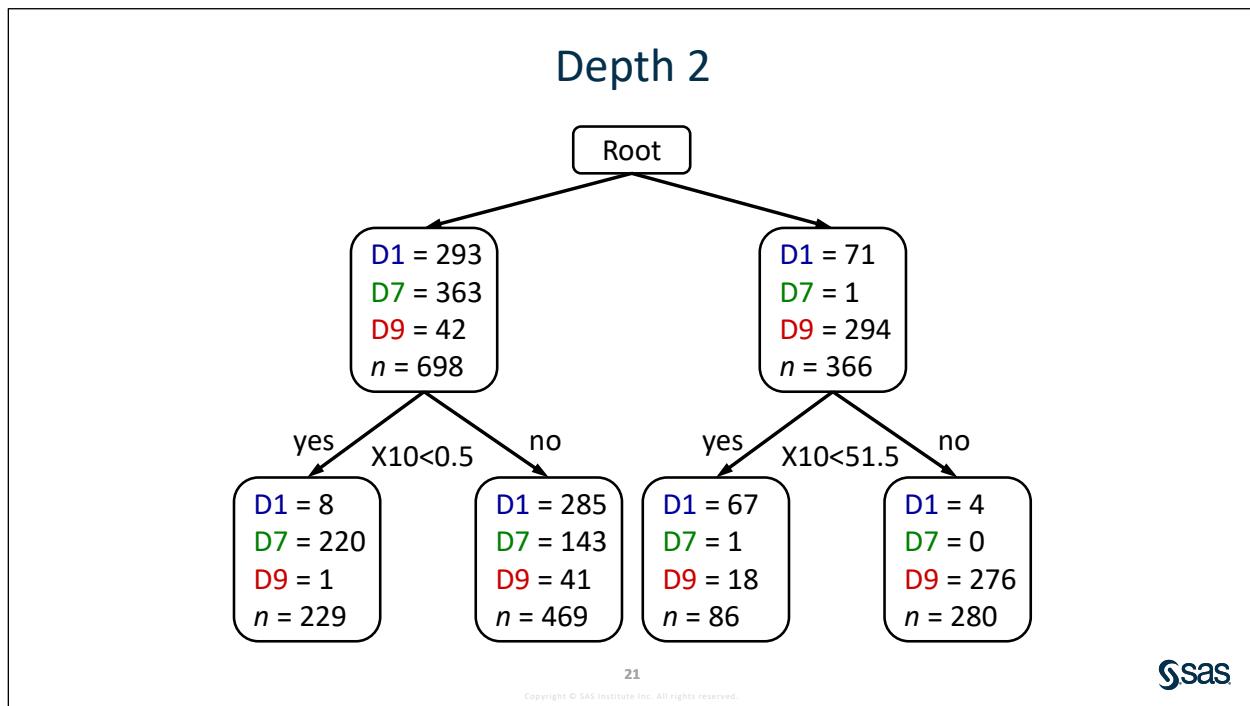
The most common method to improve decision tree models is by recursive partitioning when we grow a base tree model.



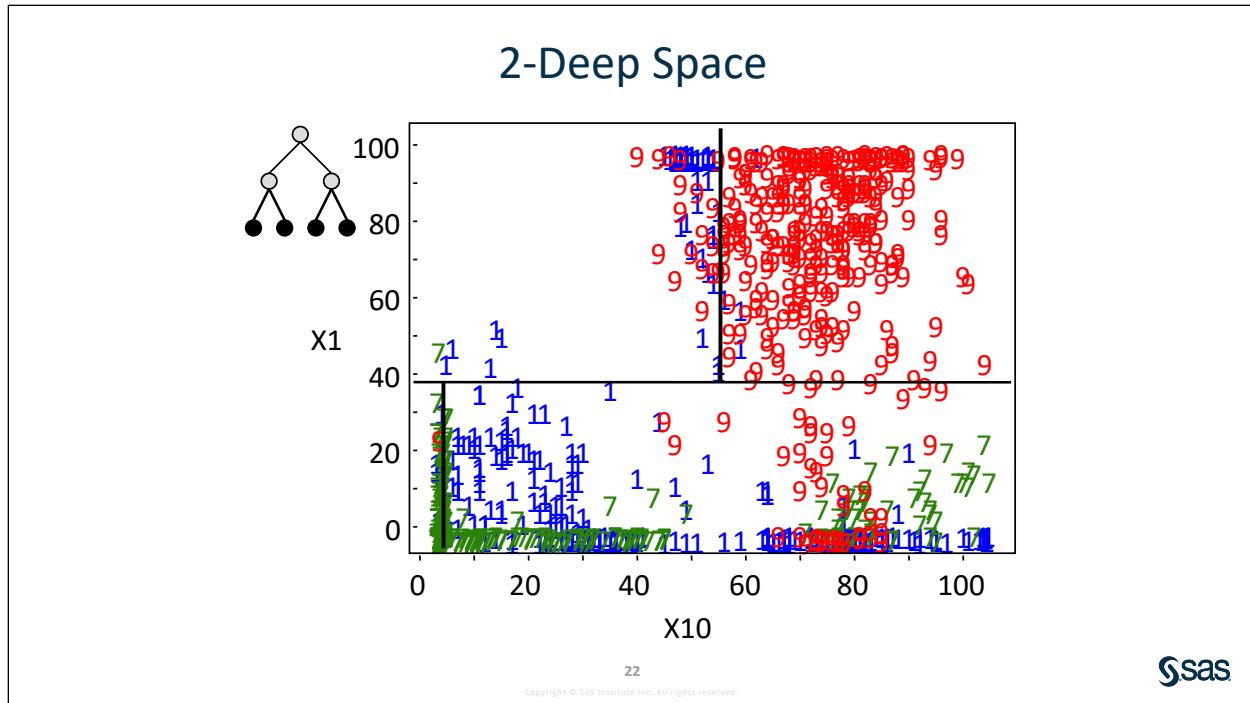
Recursive partitioning is the standard method used to fit decision trees. Recursive partitioning is a top-down, greedy algorithm. A *greedy* algorithm is one that makes locally optimal choices at each step. Starting at the root node, a number of splits that involve a single input are examined. Finding the split point for the root node is the first step of recursive partitioning. For interval inputs, the splits are disjoint ranges of the input values. For nominal inputs, the splits are disjoint subsets of the input categories. Various split-search strategies can be used to determine the set of candidate splits. A splitting criterion is used to choose the split. The splitting criterion measures the reduction in variability of the target distribution in the child nodes. The goal is to reduce variability and thus increase purity in the child nodes. The cases in the root node are then partitioned according to the selected split.



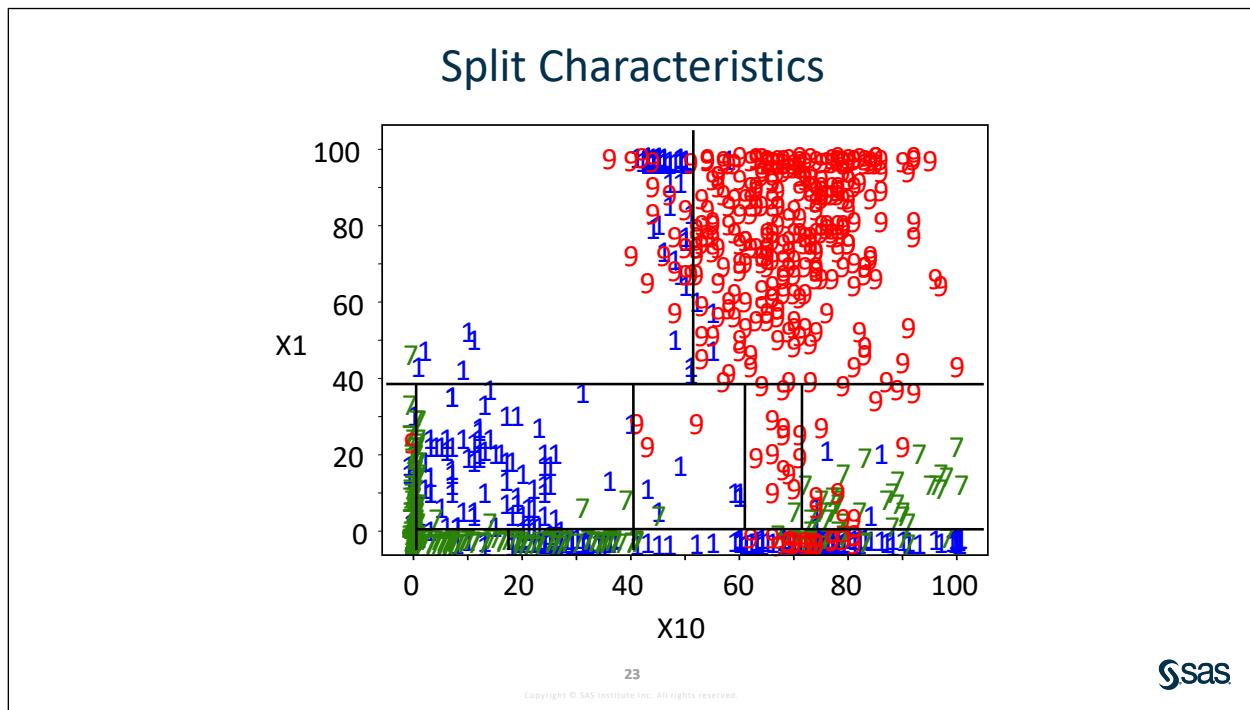
The root-node split corresponds to a partition of the input space where the boundary is perpendicular to one input dimension. The result is a tree that has a depth of 1 (hence the term *1-deep space*).



The partitioning is now repeated in each child node as if it were the root node of a new tree. The split selection at a node depends entirely on the cases in that local region of the input space. As the partitioning continues deeper in the tree, the data become more fragmented.

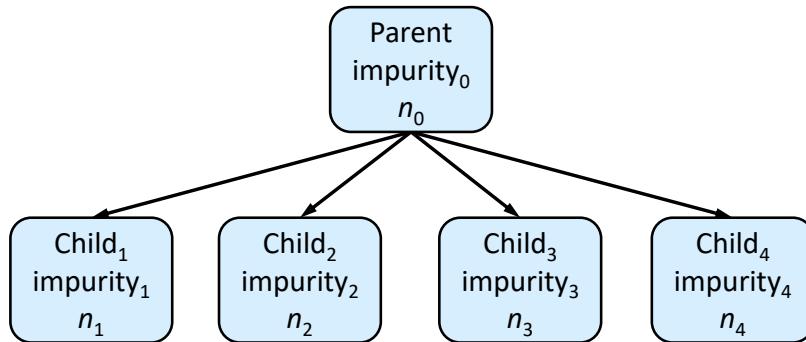


The process is repeated. The depth is governed by stopping rules, which are discussed later.



It seems reasonable that this greedy algorithm could be improved by incorporating some type of look-ahead or backup. Aside from the computational burden, trees built using limited look-ahead are not shown to be an improvement. In many cases, they produce inferior trees (Murthy and Salzberg 1995).

Impurity Reduction Measures



$$\Delta i = i(0) - \left(\frac{n_1}{n_0} i(1) + \frac{n_2}{n_0} i(2) + \frac{n_3}{n_0} i(3) + \frac{n_4}{n_0} i(4) \right)$$

24

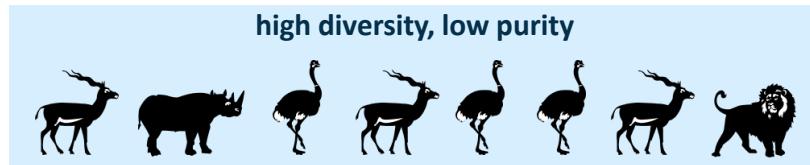


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Let $i(\cdot)$ be some measure of within-node impurity, and let Δi represent the overall reduction in impurity for the tree. Many splitting criteria (including Gini and entropy) are based on the reduction in node impurity (that is, the reduction of within-node variability) induced by the split.

The Gini Index and Impurity

$$1 - \sum_{j=1}^r p_j^2 = 2 \sum_{j < k} p_j p_k$$



$$\Pr(\text{interspecific encounter}) = 1 - 2(3/8)^2 - 2(1/8)^2 = .69$$



$$\Pr(\text{interspecific encounter}) = 1 - (6/7)^2 - (1/7)^2 = .24$$

25

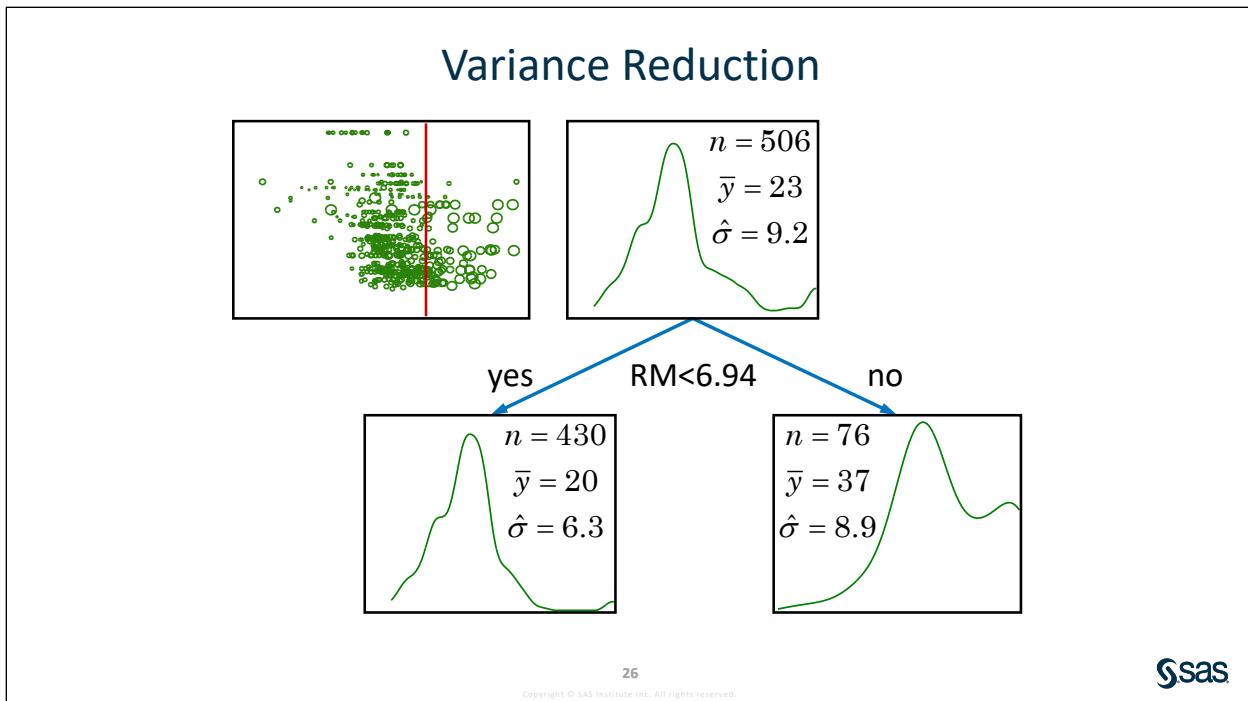


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The Gini index is a measure of variability for categorical data (developed by the eminent Italian statistician Corrado Gini in 1912). The Gini index can be used as a measure of node impurity where p_1, p_2, \dots, p_r are the proportions of each target class in a node. The Δ Gini splitting criterion was proposed by Breiman et al. (BFOS 1984).

The Gini index can be interpreted as the probability that any two elements of a multi-set, chosen at random (with replacement), are different. A pure node has a Gini index of 0. As the number of evenly distributed classes increases, the Gini index approaches 1.

In mathematical ecology, the Gini index is known as *Simpson's diversity index*. In cryptanalysis, it is 1 minus the **repeat rate** (Good, discussion of Patil and Taillie, 1982).



When the target has an interval measurement level, splitting criteria can be based on reducing variance of the target in child nodes. Other more robust measures of spread such as the least absolute deviation (LAD) were proposed (BFOS 1984).

Details: Impurity Reduction Measures for Class Targets

| X1: <38.5 | ≥ 38.5 | ΔGini | $\Delta\text{Entropy}$ | Logworth * |
|----------------------------------|-------------|---------------------|------------------------|---------------|
| 1 293 | 71 | | | |
| 7 363 | 1 | .197 | .504 | 140 |
| 9 42 | 294 | | | |
| X10: <0.5 1-41 42-51 ≥ 51.5 | | | | |
| 1 9 | 143 | 65 | 147 | |
| 7 221 | 88 | 1 | 54 | .255 .600 172 |
| 9 1 | 4 | 16 | 315 | |

* ΔGini and $\Delta\text{Entropy}$ are impurity reduction measures. Logworth is based on the χ^2 from an n -way table. For all, higher is better.

After a set of candidate splits is determined, a splitting criterion is used to determine the best one. In some situations, the worth of a split is obvious. If target distributions are the same in the child nodes as they are in the parent node, then no improvement was made, and the split is worthless. In contrast, if a split results in pure children, then the split is definitely the best.

In classification trees, the three most well-known splitting criteria are based on the Gini index (BFOS 1984), entropy (Quinlan 1993), and the chi-square test (Kass 1980). Well-known algorithms and software products associated with these three splitting criteria are CART (classification and regression tree); C5.0 (developed by the machine learning researcher Quinlin); and the CHAID algorithm (chi-squared automatic interaction detection).

Details: Impurity Reduction Measures for Interval Targets

Regression trees endeavor to partition the input space into segments where the target values are alike. (That is, each segment or node has low variability.) All target values would be equal in a pure node. In other words, the variance of the target would be zero within a pure node.

The split-search considerations and the *p*-value adjustments are the same as with classification trees. However, the appropriate splitting criteria are different. The default splitting criterion for a regression tree is change in response variance. CHAID and F Statistic are also available as splitting methods.

Entropy and the Gini index are measures of variability of nominal variables. When the target distribution is continuous, the sample variance is the obvious measure of impurity (Morgan and Sonquist 1963, BFOS 1984).

$$i(t) = \frac{1}{n_t} \sum_{j=1}^{n_t} (y_{jt} - \bar{y}_t)^2$$

Note: The denominator is n_i , not $n_i - 1$. This is the MLE and not the usual unbiased estimate of sample variance.

The *F* test can be used analogously to the chi-square test for regression trees. A split at a node can be thought of as a one-way analysis of variance where the *B* branches are the *B* treatments. Let

$\bar{y}_{ij} = \frac{1}{n_i} \sum_{j=1}^{n_i} y_{ij}$ be the mean of the target in each node and $\bar{y}_{..}$ be the mean in the root node (the overall mean).

The between-node sum of squares (SS_{between}) is a measure of the distance between the node means and the overall mean. The within-node sum of squares (SS_{within}) measures the variability within a node. Large values of the *F* statistic indicate departures from the null hypothesis that all the node means are equal. When the target values, conditional on the inputs, are independently, normally distributed with constant variance, then the *F* statistic follows an *F* distribution with $B - 1$ and $n - B$ degrees of freedom. The *p*-value of the test is used in the same way as the *p*-value for a chi-square test for classification trees.

The total sum of squares (SS_{total}) can be considered fixed with regard to comparing splits at a particular node. Thus, it follows from the ANOVA identity

$$SS_{\text{total}} = SS_{\text{between}} + SS_{\text{within}}$$

that the *F* test statistic can be thought of as either maximizing the differences between the node means or reducing the within-node variance. This latter interpretation indicates the equivalency between the *F* statistic and the reduction in impurity (variance) splitting criterion.

$$\Delta \text{var} = \frac{SS_{\text{total}}}{n} - \sum_{i=1}^B \left(\frac{n_i}{n} \right) \left(\frac{SS_i}{n_i} \right) = \frac{1}{n} (SS_{\text{total}} - SS_{\text{within}}) = \frac{SS_{\text{between}}}{n}$$

Thus, using Δ variance is equivalent to **not** adjusting the *F* test for degrees of freedom (number of branches).

Split Criteria in Model Studio

- Categorical target
 - CHAID – Chi-square Automatic Interaction Detection
 - Chi-Square
 - Entropy
 - Gini
 - Information gain ratio
- Interval target
 - CHAID
 - *F* test
 - Variance

In summary, these are the options in Model Studio to grow a decision tree.

For categorical responses, the available criteria are CHAID, CHISQUARE, ENTROPY, GINI, and IGR (information gain ratio). The default is IGR. For continuous responses, the available criteria are CHAID, FTEST, and VARIANCE. The default is VARIANCE.

CHAID uses the value of a chi-square statistic for a classification tree or an *F* statistic for a regression tree. Based on the significance level, the value of the chi-square or *F* statistic is used to merge similar levels of the predictor variable until the number of children in the proposed split reaches the number specified as the maximum possible branches. The *p*-values for the final split determine the variable on which to split.

Split criteria using the *p*-value (Chi-square, CHAID, or *F* test) can request a Bonferroni adjustment to the *p*-value for a variable after the split has been determined.

CHISQUARE uses a chi-square statistic to split each variable and then uses the *p*-values that correspond to the resulting splits to determine the splitting variable.

ENTROPY uses the gain in information or the decrease in entropy to split each variable and then to determine the split. A minimum of decrease in entropy or increase in information gain ration can be specified.

GINI uses the decrease in the Gini index to split each variable and then to determine the split.

IGR uses the entropy metric to split each variable and then uses the information gain ratio to determine the split.

For continuous responses the available criteria are CHAID, FTEST, and VARIANCE.

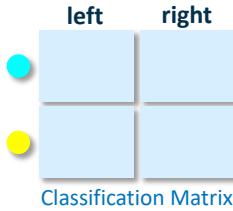
CHAID is described above.

FTEST uses an *F* statistic to split each variable and then uses the resulting *p*-value to determine the split point.

A Bonferroni adjustment can be applied to both CHAID and FTEST criteria.

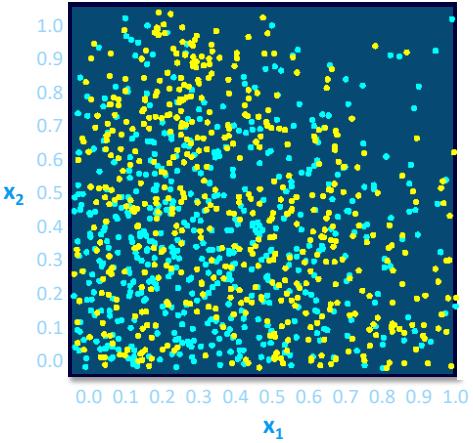
VARIANCE uses the change in response variance to split each variable and then to determine the split.

Decision Tree Split Search



Classification Matrix

Calculate the logworth of every partition on input x_1 .



x_2

x_1

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To select useful inputs, trees use a *split-search* algorithm. Decision trees confront the curse of dimensionality by ignoring irrelevant inputs.

Note: Curiously, trees have no built-in method for ignoring redundant inputs. Because trees can be trained quickly and have a simple structure, this is usually not an issue for model creation. However, it can be an issue for model deployment, in that trees might somewhat arbitrarily select from a set of correlated inputs. To avoid this problem, you must use an algorithm that is external to the tree to manage input redundancy.

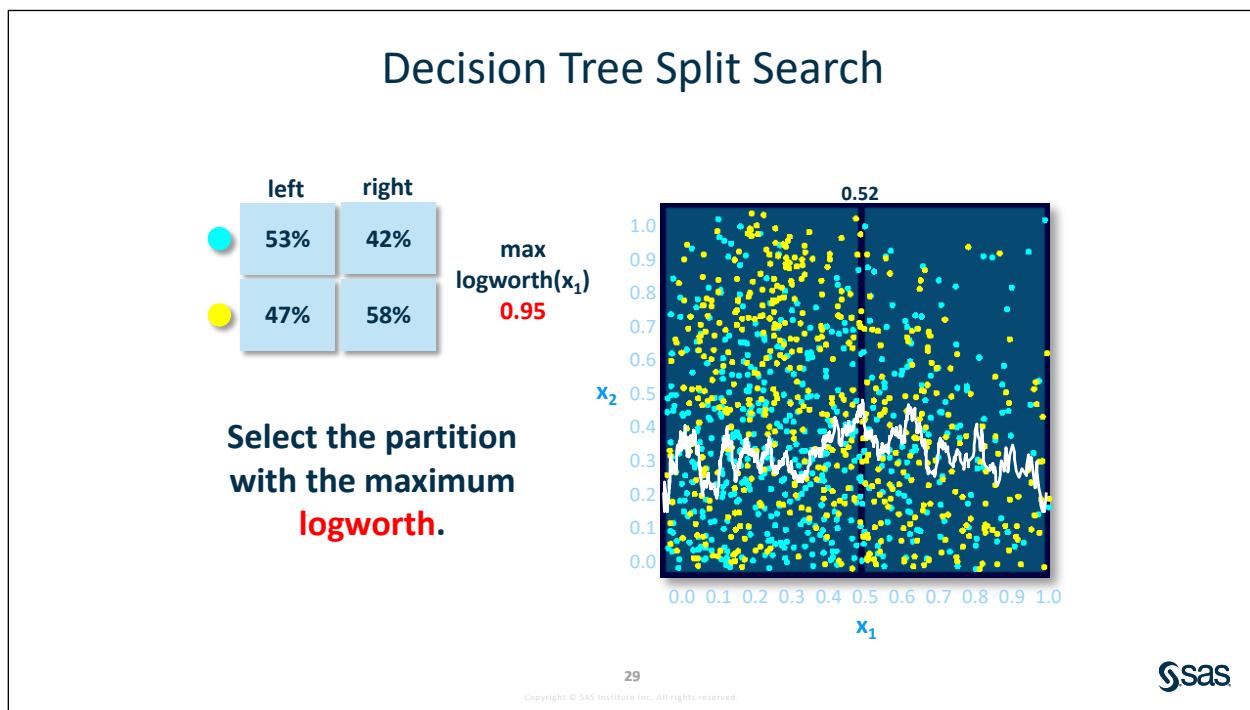
Understanding the details of an algorithm used for building trees enables you to better use SAS Visual Data Mining and Machine Learning to build a tree and interpret your results. The description presented here assumes a binary target, but the algorithm for interval targets is similar. (The algorithm for categorical targets with more than two outcomes is more complicated and is not discussed.) In Model Studio, the algorithm described here is known as *chi-square*.

The first part of the algorithm is called the *split search*. The split search starts by selecting an input for partitioning the available training data. If the measurement scale of the selected input is *interval*, each unique value serves as a potential split point for the data. If the input is *categorical*, the average value of the target is taken within each categorical input level. The averages serve the same role as the unique interval input values in the discussion that follows.

For a selected input and fixed split point, two groups are generated. Cases with input values less than the split point are said to *branch left*. Cases with input values greater than the split point are said to *branch right*. The groups, combined with the target outcomes, form a 2x2 contingency table with columns specifying branch direction (left or right) and rows specifying target value (0 or 1). A Pearson chi-squared statistic is used to quantify the independence of counts in the table's columns. Large values for the chi-squared statistic suggest that the proportion of 0s and 1s in the left branch is different from the proportion in the right branch. A large difference in outcome proportions indicates a good split.

Because the Pearson chi-squared statistic can be applied to the case of multiway splits and multi-outcome targets, the statistic is converted to a probability value, or *p*-value. The *p*-value indicates the likelihood of obtaining the observed value of the statistic assuming identical target proportions in each branch direction. For large data sets, these *p*-values can be very close to zero. For this reason, the quality of a split is reported by *logworth* = $-\log(\text{chi-squared } p\text{-value})$.

Note: At least one logworth must exceed a threshold for a split to occur with that input. By default, this threshold corresponds to a chi-squared *p*-value of 0.20 or a logworth of approximately 0.7.



The best split for an input is the split that yields the highest logworth.

Several peripheral factors make the split search somewhat more complicated than what is described above.

First, the tree algorithm settings disallow certain partitions of the data. Settings, such as the minimum number of observations required for a split search and the minimum number of observations in a leaf, force a minimum number of cases in a split partition. This minimum number of cases reduces the number of potential partitions for each input in the split search.

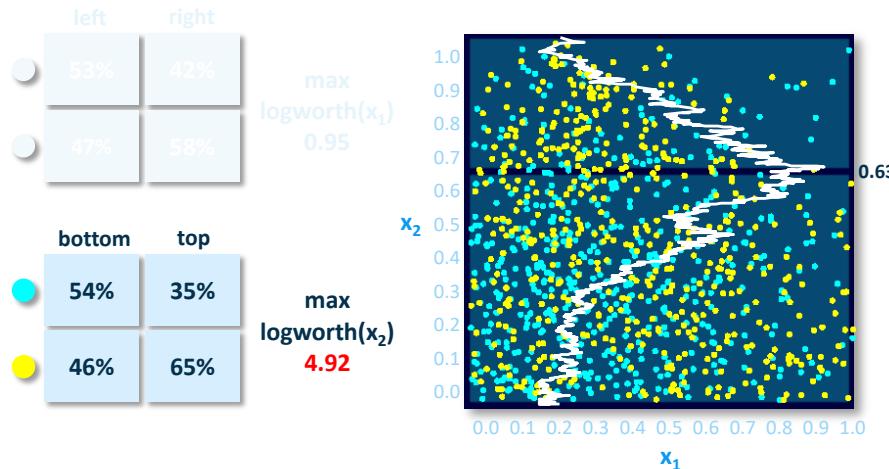
Second, when you test for the independence of column categories in a contingency table, it is possible to obtain significant (large) values of the chi-squared statistic even when there are no differences in the true, underlying proportions between split branches. In other words, if there are many ways to split the variable that labels the rows of the table (and thus many Chi-square tables and tests), then you are likely to get at least one with a very small p -value even when the variable has no true effect. As the number of possible split points increases, the likelihood of obtaining significant values also increases. In this way, an input with a multitude of unique input values has a greater chance of accidentally having a large logworth than an input with only a few distinct input values.

Statisticians face a similar problem when they combine the results from multiple statistical tests. As the number of tests increases, the chance of a false positive result likewise increases. To maintain overall confidence in the statistical findings, statisticians inflate the p -values of each test by a factor equal to the number of tests being conducted. If an inflated p -value shows a significant result, then the significance of the overall results is assured. This type of p -value adjustment is known as a *Bonferroni correction*.

Because each split point corresponds to a statistical test, Bonferroni corrections are automatically applied to the logworth calculations for an input. These corrections, also called *Bonferroni adjustments*, penalize inputs with many split points by reducing the logworth of a split by an amount equal to the log of the number of distinct input values. This is equivalent to the Bonferroni correction because subtracting this constant from logworth is equivalent to multiplying the corresponding chi-squared p -value by the number of split points. The adjustment enables a fairer comparison of inputs with many and few levels later in the split-search algorithm.

Third, for inputs with missing values, two sets of Bonferroni-adjusted logworths are generated. For the first set, cases with missing input values are included in the left branch of the contingency table and logworths are calculated. For the second set of logworths, missing value cases are moved to the right branch. The best split is then selected from the set of possible splits with the missing values in the left and right branches, respectively.

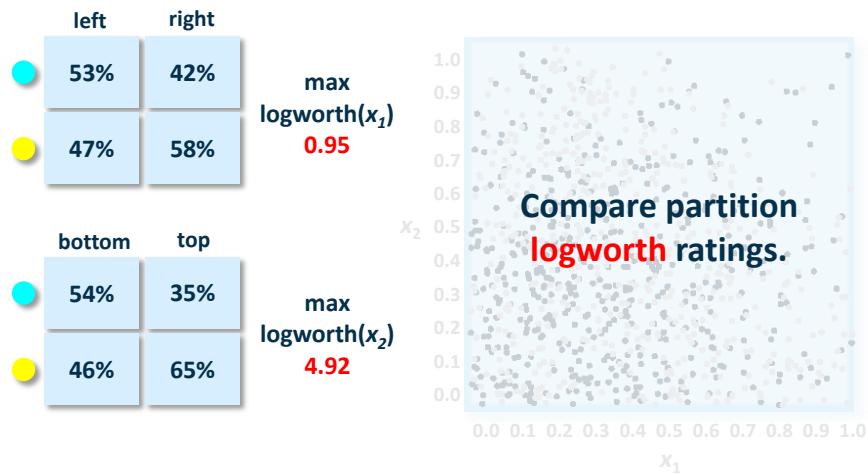
Decision Tree Split Search



The partitioning process is repeated for every input in the training data. Inputs whose adjusted logworth fails to exceed the threshold are excluded from consideration.

Again, the optimal split for the next input considered is the one that maximizes the logworth function for that input.

Decision Tree Split Search

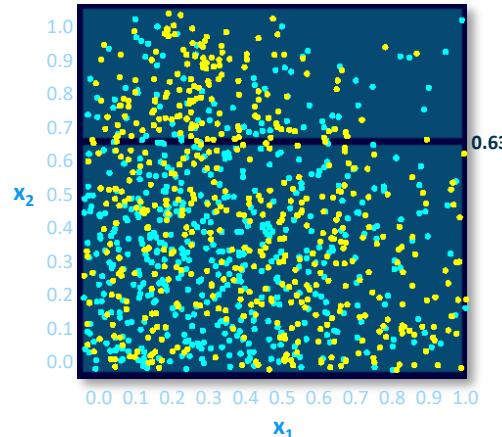


After you determine the best split for every input, the tree algorithm compares each best split's corresponding logworth. The split with the highest adjusted logworth is deemed best.

Decision Tree Split Search



Create a partition rule from the best partition across all inputs.



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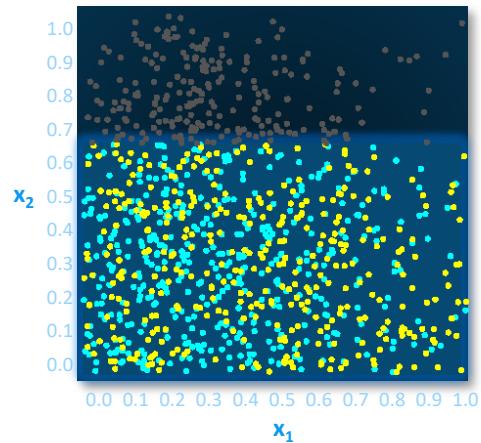


The training data are partitioned using the best split rule.

Decision Tree Split Search



Repeat the process in each subset.



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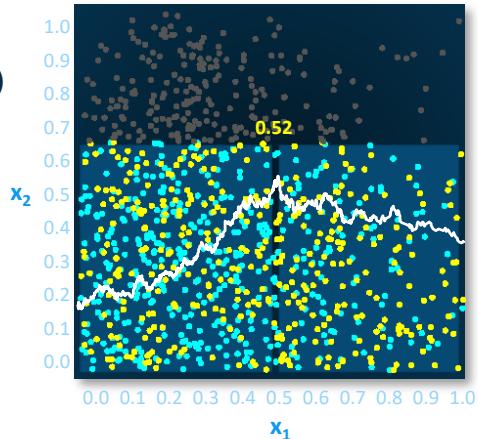
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Decision Tree Split Search

| | left | right |
|---|------|-------|
| ● | 61% | 55% |
| ● | 39% | 45% |

**max
logworth(x_1)
5.72**



34

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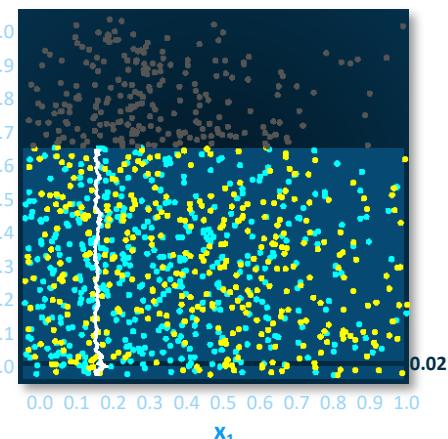
Decision Tree Split Search

| | left | right |
|---|------|-------|
| ● | 61% | 55% |
| ● | 39% | 45% |

**max
logworth(x_1)
5.72**

| | bottom | top |
|---|--------|-----|
| ● | 38% | 55% |
| ● | 62% | 45% |

**max
logworth(x_2)
-2.01**

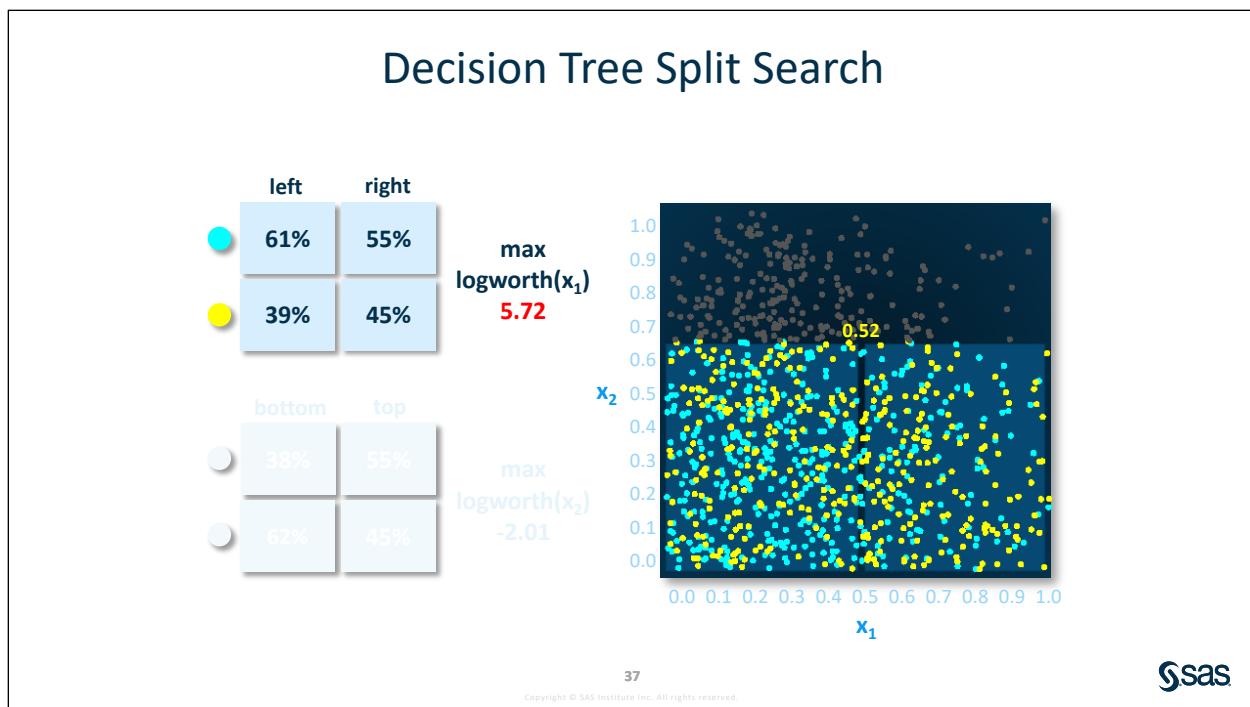
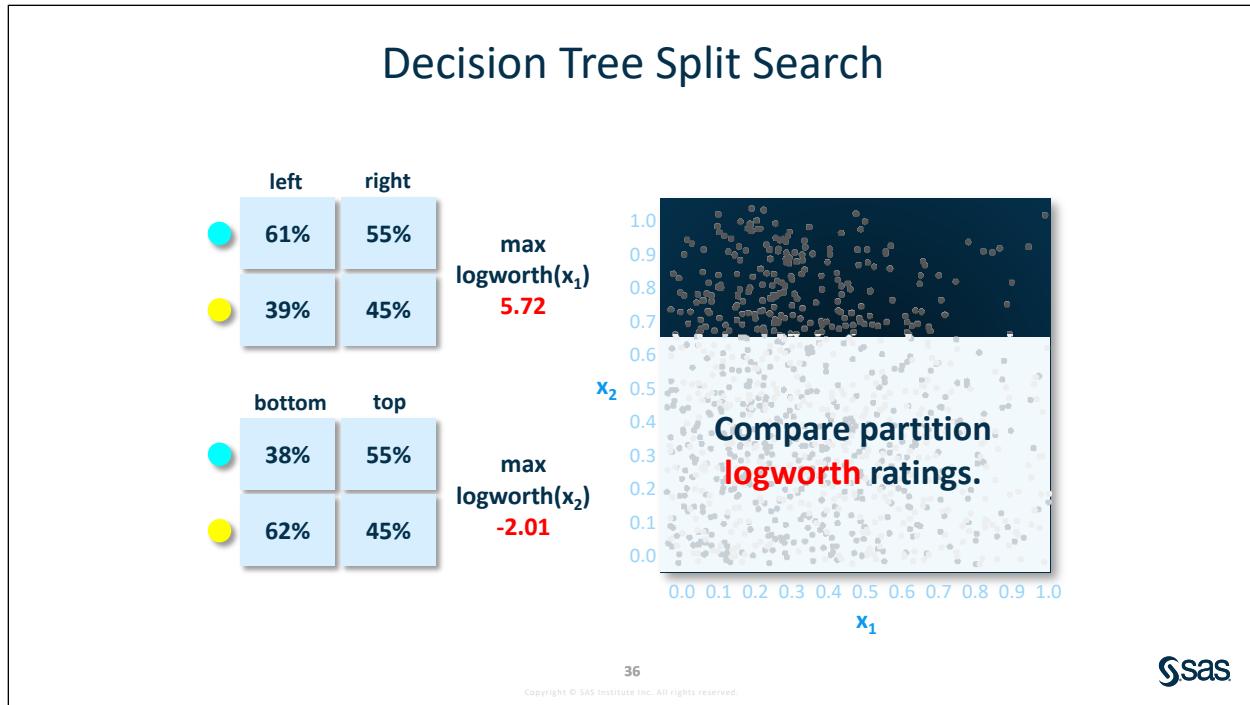


35

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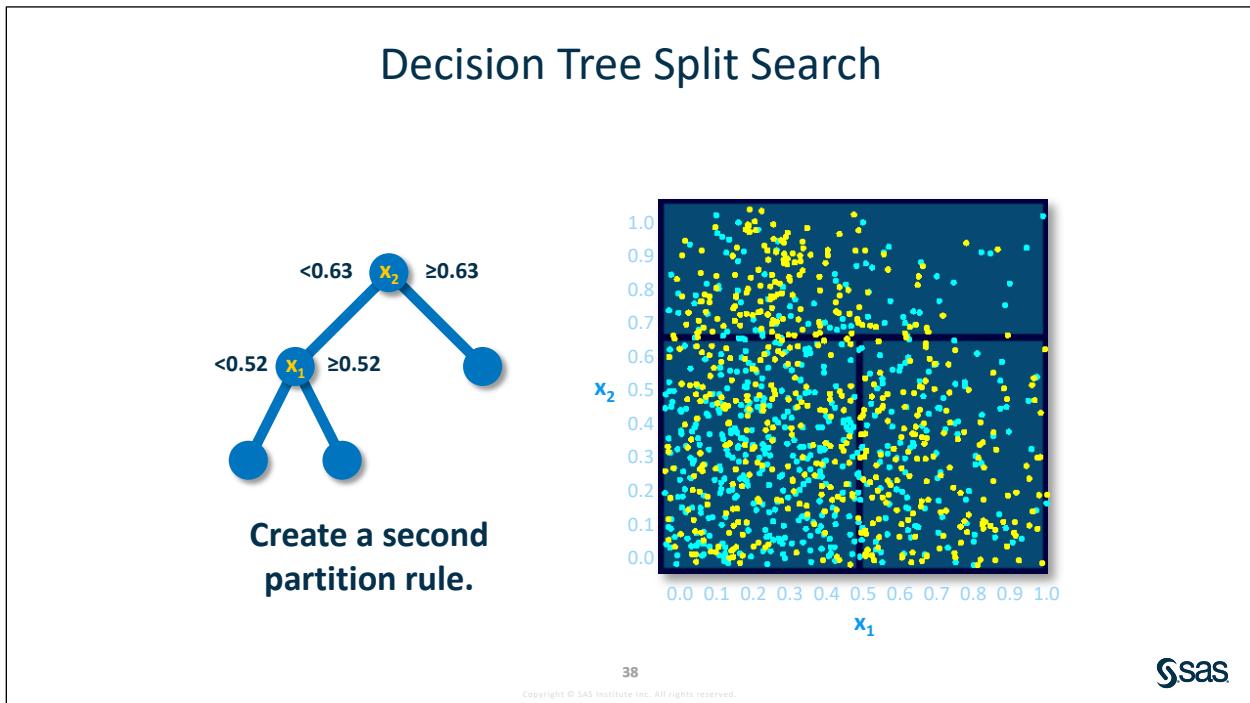
The logworth of the x_2 split is negative. This might seem surprising, but it results from several adjustments made to the logworth calculation. (The Bonferroni adjustment was described previously. Another, called the *depth adjustment*, is outlined later in this section.)



The split search continues within each leaf. Logworths are compared as before.

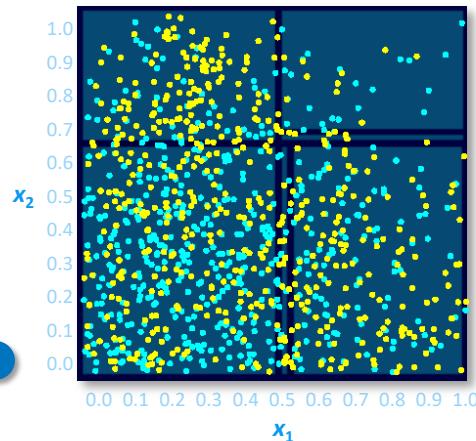
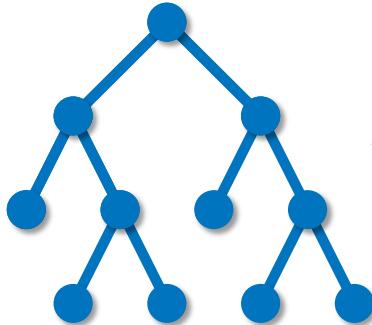
Because the significance of secondary and subsequent splits depends on the significance of the previous splits, the algorithm again faces a multiple comparison problem. To compensate for this problem, the algorithm increases the threshold by an amount related to the number of splits above the current split. For binary splits, the threshold is increased by $\log_{10}(2) d \approx 0.3 \cdot d$, where d is the depth of the split on the decision tree. This is known as the *depth adjustment*.

Note: By increasing the threshold for each depth (or equivalently decreasing the logworths), the tree algorithm makes it increasingly easy for an input's splits to be excluded from consideration.



The data are partitioned according to the best split, which creates a second partition rule. The process repeats in each leaf until there are no more splits whose adjusted logworth exceeds the depth-adjusted thresholds. This process completes the split-search portion of the tree algorithm.

Decision Tree Split Search



Repeat to form a maximal tree.

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The resulting partition of the input space is known as the *maximal tree*. Development of the maximal tree is based exclusively on statistical measures of split worth on the training data. It is likely that the maximal tree fails to generalize well on an independent set of validation data. The maximal tree is the starting place for how complexity of the model will be optimized. Optimizing the complexity of a tree is done through pruning, and this is covered in the next section.

Handling Missing Values in Decision Trees

- **Ignore** – excludes any observation that has a missing value for any predictor variable.
- **Largest branch** – assigns any observation that has a missing value in the predictor variable to the child node that has the most training observations.
- **Most correlated branch** – assigns any observation that has a missing value in the predictor variable to the child node whose observations are most similar to it.
- **Separate branch** – assigns any observation that has a missing value for the predictor variable to a specially created child node.
- **Use as machine smallest** – treats a missing value in a categorical predictor variable as a separate, legitimate value and missing values in continuous predictor variables are treated as the smallest possible value.
- **Use in search** – treats a missing value in a predictor variable as a separate, legitimate value.

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One of the key benefits of recursive partitioning is the treatment of missing input data. Parametric regression models require complete cases. One missing value on one input variable eliminates that case from analysis. Imputation methods are often used before model fitting to fill in the missing values.

Note: If the value of the target variable is missing, the observation is excluded from training and evaluating the decision tree model.

Decision trees can use missing values in the calculation of the worth of a splitting rule. This consequently produces a splitting rule that assigns the missing values to the branch that maximizes the worth of the split. This is a desirable option when the existence of a missing value is predictive of a target value. Decision trees can use missing values in the split search as a new category or as an unknown numeric nonmissing value.

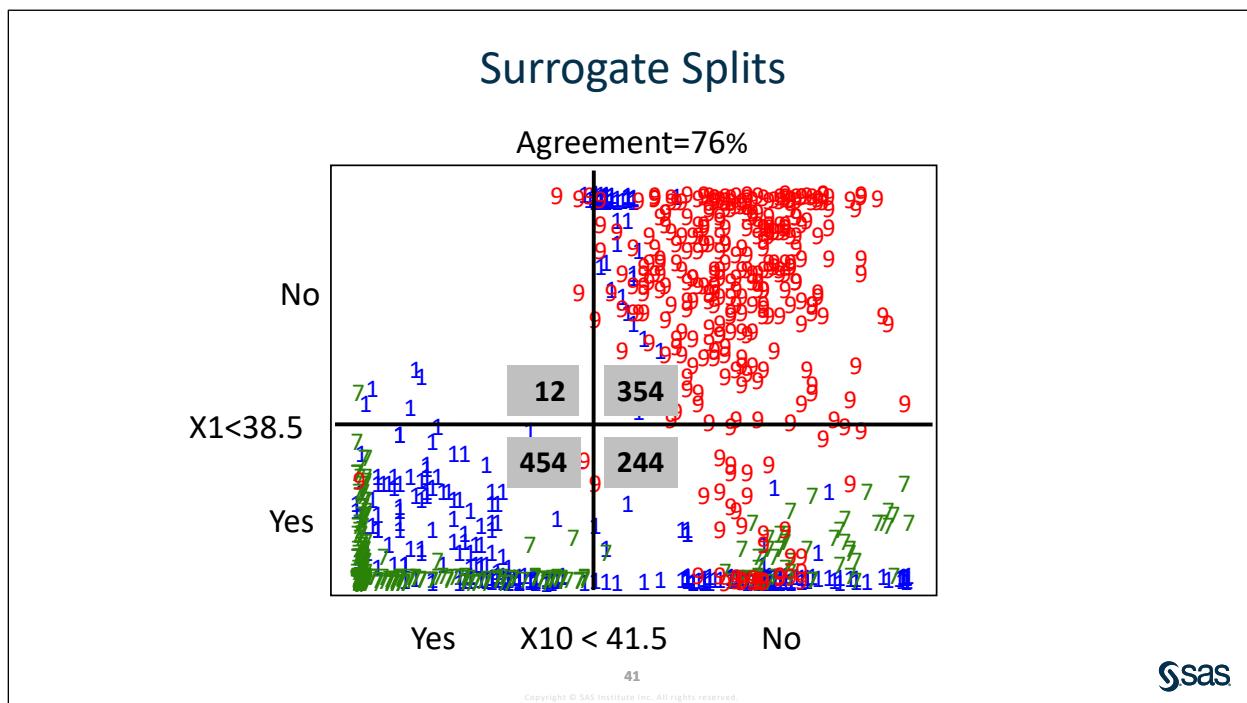
It treats missing input values as a separate level of the input variable. A nominal input with L levels and a missing value can be treated as an $L + 1$ level input. If a new case has a missing value on a splitting variable, then the case is sent to whatever branch contains the missing values.

For splits on a categorical variable, this amounts to treating a missing value as a separate category. For numerical variables, it amounts to treating missing values as having the same unknown nonmissing value.

One advantage of using missing data during the search is that the worth of the split is computed with the same number of observations for each input. Another advantage is that an association of the missing values with the target values can contribute to the predictive ability of the split.

The search for a split on an input uses observations whose values are missing on the input. All such observations are assigned to the same branch. The branch might or might not contain other observations. The resulting branch maximizes the worth of the split.

Another option is to not use missing values in the split search. In this case, decision trees assign the observations that contain missing values to a particular branch according to some criteria.



Surrogate rules are backup splitting rules that are used when the variable that corresponds to the primary splitting rule is missing.

When a split is applied to an observation in which the required input value is missing, surrogate splitting rules can be considered before assigning the observation to the branch for missing values.

A surrogate splitting rule is a backup to the main splitting rule. For example, the main splitting rule might use **COUNTY** as input, and the surrogate might use **REGION**. If **COUNTY** is unknown and **REGION** is known, the surrogate is used.

If several surrogate rules exist, each surrogate is considered in sequence until one can be applied to the observation. If none can be applied, the main rule assigns the observation to the branch that is designated for missing values.

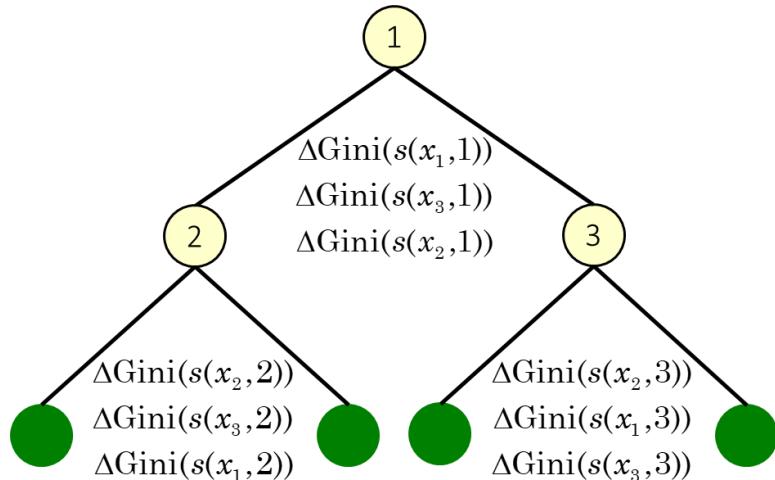
The surrogates are considered in the order of their agreement with the main splitting rule. The agreement is measured as the proportion of training observations that the surrogate rule and the main rule assign to the same branch. The measure excludes the observations to which the main rule cannot be applied. Among the remaining observations, those on which the surrogate rule cannot be applied count as observations that are not assigned to the same branch. Thus, an observation that has used a missing value on the input in the surrogate rule but not the input in the primary rule counts against the surrogate.

The **Surrogate Rules** property determines the number of surrogates that are sought. A surrogate is discarded if its agreement is less than or equal to the largest proportion of observations in any branch. As a consequence, a node might have fewer surrogates specified than the number in the **Number of Surrogate Rules** property.

Surrogate splits can be used to handle missing values (BFOS 1984). A surrogate split is a partition using a different input that mimics the selected split. A perfect surrogate maps all the cases that are in the same node of the primary split to the same node of the surrogate split. The agreement between two splits can be measured as the proportion of cases that are sent to the same branch. The split with the greatest agreement is taken as the best surrogate.

When surrogate rules are requested, if a new case has a missing value on the splitting variable, then the best surrogate is used to classify the case. If the surrogate variable is missing as well, then the second-best surrogate is used. If the new case has a missing value on all the surrogates, it is sent to the branch that contains the missing values of the training data.

Details: Variable Importance Based on Gini Reduction



BFOS (1984) devised a measure of variable importance for trees. It can be particularly useful for tree interpretation.

Let $s(x_j, t)$ be a surrogate split (including the primary split) at the t th internal node using the j th input. Importance is a weighted average of the reduction in impurity for the surrogate splits using the j th input across all the internal nodes in the tree. The weights are the node sizes.

$$\text{Importance}(x_j) = \sum_{t=1}^T \frac{n_t}{n} \Delta(i)(s(x_j), t),$$

where $\Delta(i)$ represents impurity reduction. For interval targets, variance reduction is used. For categorical targets, variance reduction reduces to Gini reduction.

In the Decision Tree task, variable importance is calculated similarly to BFOS (1984), although it takes the square root. Further, the Decision Tree node incorporates the agreement between the surrogate split and the primary split in the calculation. The variable importance measure is scaled to be between 0 and 1 by dividing by the maximum importance. Thus, larger values indicate greater importance. Variables that do not appear in any primary or saved surrogate splits have 0 importance.

One major difference between variable importance in the Decision Tree task and in BFOS (1984) is that, by default, surrogates are not saved. Therefore, they are not included in the calculation. This practice disregards a fundamental purpose of variable importance: unmasking inputs that have splits that are correlated with primary splits.

If two variables are highly correlated and they are both used in primary splitting rules, they dilute each other's importance. Requesting surrogates remedies this, and also remedies the situation where one of the two variables happens not to appear in any primary splitting rule.

3.02 Multiple Choice Question

Which of the following statements is true regarding decision trees?

- a. The recursive partitioning used to construct decision trees leads them to being uninterpretable.
- b. The optimal split for the next input considered is the one that minimizes the logworth function for that input.
- c. The maximal decision tree is usually the one used to score new data.
- d. The logworth of a split can sometimes be negative.



Improving a Decision Tree Model by Changing the Recursive Partitioning Parameters

In this demonstration, you change more settings of the Decision Tree node in the Lesson 3 pipeline. You modify the recursive partitioning parameters and compare this model performance to the models built earlier in the course.

Recall that the previous model, based on changing the tree structure parameters, achieved an average squared error of 0.0663 on the VALIDATE partition. We will try to improve the model's performance by modifying some of the settings of the decision tree model.

- Under the Grow Criterion properties, change **Class target criterion** from Information gain ratio to **Gini**.

The screenshot shows the 'Splitting Options' dialog box with the 'Grow Criterion' section expanded. Under 'Class target criterion', the dropdown menu is set to 'Gini'. A red arrow points to this dropdown menu. Other options shown include 'Interval target criterion' (set to 'Variance'), 'Significance level' (set to '0.2'), and a checked 'Bonferroni' checkbox.

The Gini index is calculated by subtracting the sum of the squared probabilities of each class from one. It favors larger partitions.

Information gain multiplies the probability of the class times the log of that class probability. It favors smaller partitions with many distinct values.

In due course, you experiment with your data and the splitting criterion.

- Run the **Decision Tree** node.
- Open the results for the node.
- Click the **Assessment** tab. (You might need to expand the Fit Statistics table.)

| Target ... | Data Role | Partitio... | Format... | Sum of ... | Averag... |
|------------|-----------|-------------|-----------|------------|-----------|
| churn | TRAIN | 1 | 1 | 39,590 | 0.0583 |
| churn | VALIDATE | 0 | 0 | 16,967 | 0.0630 |

The average squared error for the tuned decision tree model is 0.0630 on the VALIDATE partition. This fit statistic, again, is a slight improvement compared to that of the previous model by changing only the recursive partitioning parameters.

- Close the Results window.

End of Demonstration

3.4 Pruning

Essential Discovery Tasks



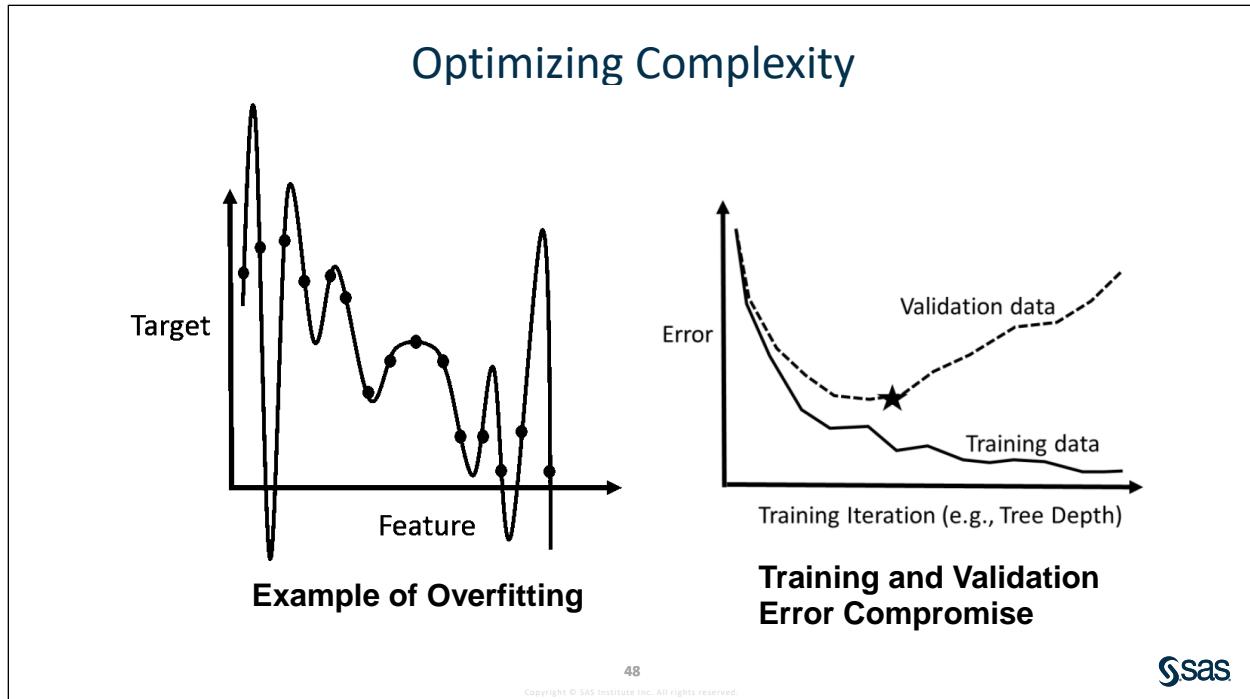
- Select an algorithm.
- Improve the model.
- Optimize complexity of the model.
- Regularize and tune hyperparameters of the model.
- Build ensemble models.

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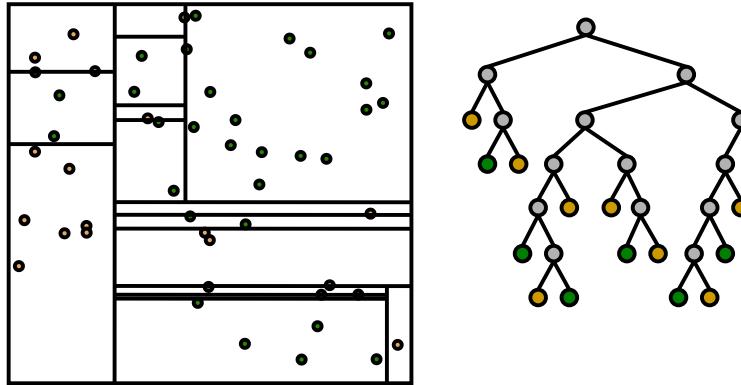
Recall that the goal is to build models that can be used to score future observations to enable you to make business decisions, such as to churn or not churn, flag fraudulent activity, predict potential revenue, and so on. Machine learning algorithms are very effective at learning a mapping between the features and known target values in your existing data. If left unattended, they can often create a 100% accurate mapping, as shown below.



Evidently, a model that is complex enough to perfectly fit the existing data does not generalize well when used to score new observations. It might provide accurate answers for some cases by chance, but in general, it does not represent the trend of the data. This is referred to as *overfitting*. A decision tree is a prime example of an algorithm that can easily overfit the data. If the tree can continue to split the data all the way down to each observation being in its own leaf, it will be 100% accurate for every observation in the training data. But after a certain depth, the tree is not providing any information that can be applied in general.

Honest assessment, which is highly related to the bias-variance tradeoff, involves calculating error metrics from scoring the model on data that were not used in any way during the training process. The distinctions between the validation data and the test data, and how to incorporate them as part of your model training, assessment, and selection process, were discussed briefly in Lesson 1 and are revisited in Lesson 6.

Maximal Tree



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A large decision tree can be grown until every node is as pure as possible. If at least two observations have the same values on the input variables but different target values, it is not possible to achieve perfect purity. The tree with the greatest possible purity on the training data is the *maximal classification tree*.

The maximal tree is the result of overfitting. It adapts to both the systematic variation of the target (signal) and the random variation (noise). It usually does not generalize well on new (noisy) data.

A small tree with only a few branches might underfit the data. It might fail to adapt sufficiently to the signal. This usually results in poor generalization.

The process of building a decision tree begins with growing a large, full tree. The full tree can overfit the training data, resulting in a model that does not adequately generalize to new data. To prevent overfitting, the full tree is often pruned back to a smaller subtree that balances the goals of fitting training data and predicting new data. Two commonly applied approaches for finding the best subtree are cost-complexity pruning (Breiman et al. 1984) and C4.5 pruning (Quinlan 1993).

Pruning Options

Subtree method: specifies how to construct the subtree in terms of subtree methods.

- **C4.5:** The pruning is done with a C4.5 algorithm (class target only).
 - **Confidence** – specifies the binomial distribution confidence level to use to determine the error rates of merged and split nodes.
- **Cost complexity:** The subtree with a minimum leaf-penalized ASE is chosen.
- **Reduced error:** The smallest subtree with the best assessment value is chosen.

Tree complexity is a function of the number of leaves, the number of splits, and the depth of the tree. Determining complexity is crucial with flexible models like decision trees. A well-fit tree has low bias (adapts to the signal) and low variance (does not adapt to the noise). The determination of model complexity usually involves a tradeoff between bias and variance. An underfit tree that is not sufficiently complex has high bias and low variance. In contrast, an overfit tree has low bias and high variance.

The maximal tree represents the most complicated model that you are willing to construct from a set of training data. To avoid potential overfitting, many predictive modeling procedures offer some mechanism for adjusting model complexity. For decision trees, this process is known as *pruning*.

The *subtree method* specifies how to construct the subtree in terms of subtree methods. Here are the possible values:

- **C4.5:** The pruning is done with a C4.5 algorithm.
- **Cost complexity:** The subtree with a minimum leaf-penalized ASE is chosen.
- **Reduced error:** The smallest subtree with the best assessment value is chosen.

The C4.5 algorithm is available only for class targets.

With reduced error pruning, the assessment measure for class targets is misclassification rate, and the assessment measure for interval targets is ASE.

Pruning Options

Selection method: specifies how to construct the subtree in terms of selection methods.

- **Automatic:** specifies the subtree for the selected subtree pruning method.
- **Largest:** specifies the full tree.
- **N:** specifies the largest subtree with at most N leaves.
 - **Number of leaves:** specifies the number of leaves that are used in creating the subtree when the subtree selection method is set to N.
- **Cost-complexity alpha:** specifies the tree from cost-complexity pruning corresponding to the chosen alpha value.

Cross validation folds: specifies the number of cross validation folds to use for cost-complexity pruning when there is no validation data.

- **1-SE rule:** specifies whether to perform the one standard error rule when performing cross validated cost complexity pruning.


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The *selection method* specifies how to construct the subtree in terms of selection methods. Here are the possible values:

- **Automatic:** specifies the appropriate subtree for the specified subtree pruning method.
- **Largest:** specifies the full tree.
- **N:** specifies the largest subtree with at most N leaves.
- **Cost-complexity alpha:** specifies the tree from cost-complexity pruning corresponding to the chosen alpha value.

The **Number of leaves** property specifies the number of leaves that are used in creating the subtree when the subtree selection method is set to N.

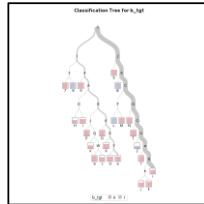
The **Confidence** property specifies the binomial distribution confidence level to use to determine the error rates of merged and split nodes. The default value is 0.25. This option is available only when C4.5 is the pruning method.

The **Cross validation folds** property specifies the number of cross validation folds to use for cost-complexity pruning when there is no validation data. Possible values range from 2 to 20.

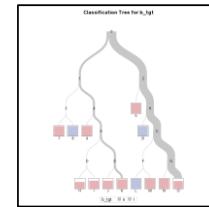
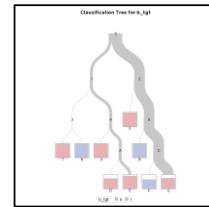
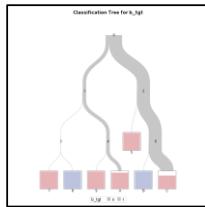
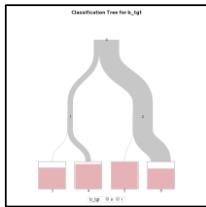
The **1-SE rule** property specifies whether to perform the one standard error rule when performing cross validated cost complexity pruning.

Bottom-Up Pruning

1. Grow a maximal tree:



2. Prune to create optimal sequence of subtrees:



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In bottom-up (post) pruning, a large tree is grown and then branches are lopped off in a backward fashion using some model selection criterion. The bottom-up strategy of intentionally creating more nodes than will be used is also called *retrospective pruning* and originated with cost-complexity pruning (BFOS 1984).

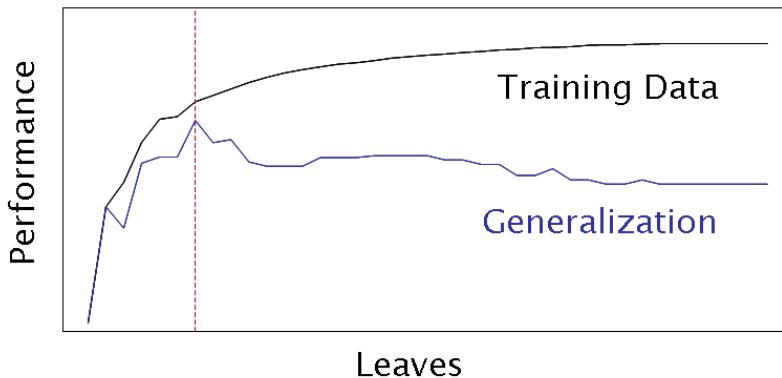
For any subtree, T , in a tree grown from 1 to n leaves, define its complexity or size (number of leaves) as L , and define $R(L)$ as the validation set misclassification cost. Other assessment measures can also be used.

In SAS Viya, the pruning process starts with the maximal tree T_{\max} with L leaves. The maximal tree is denoted as T_L . Construct a series of smaller and smaller trees $T_L, T_{L-1}, T_{L-2}, \dots, T_1$, such that the following holds: For every value of H_i , where $1 \leq H_i \leq L$, consider the class T_{H_i} of all subtrees of size H_i . Select the subtree in the series that minimizes $R(T_{H_i})$.

Note: The trees in the series of subtrees are not necessarily nested.

Bottom-Up Pruning

3. Choose the best tree on validation data:



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The subtree with the best performance on validation data is selected.

Top-down pruning is usually faster but is considered less effective than bottom-up pruning. Breiman and Friedman, in their criticism of the FACT tree algorithm (Loh and Vanichsetakul 1988), discussed their experiments with stopping rules as part of the development of the CART methodology:

“Each stopping rule was tested on hundreds of simulated data sets with different structures. Each new stopping rule failed on some data set. It was not until a very large tree was built and then pruned, using cross validation to govern the degree of pruning, that we observed something that worked consistently.”

Bottom-up pruning has two requirements:

- A method for honestly measuring performance

The simplest remedy is to split the data into training and validation sets. The validation data are used for model comparison. Data splitting is inefficient when the data are small. Removing data from the training set can degrade the fit. Furthermore, evaluating performance on a single validation set can give imprecise results.

A more efficient remedy—but more computationally expensive—is k -fold cross validation. In k -fold cross validation, performance measures are averaged over k models. Each model is fit with $(k-1)/k$ of the data and assessed on the remaining $1/k$ of the data. The average over the k holdout data sets is then used to honestly estimate the performance for the model fitted to the full data set. Cross validation is discussed later in this lesson.

- A relevant model selection criterion

For classification problems, the most appropriate measures of generalization depend on the number of correct and incorrect classifications and their consequences.

For many purposes, including analyses with interval targets, average squared error has been found to work very well as a general method for selecting a subtree on the validation data. It is recommended for most practical situations and, in particular, in situations with rare target levels and in which the benefits or costs of correct or incorrect classification are not easy to specify.

Essential Discovery Tasks



- Select an algorithm.
- Improve the model.
- Optimize complexity of the model.
- Regularize and tune hyperparameters of the model.
- Build ensemble models.

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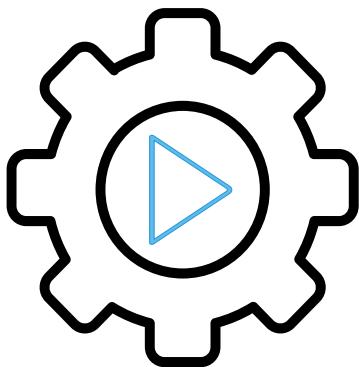
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The objective of a machine learning algorithm is to find the model parameters that minimize the loss function over the independent samples. For example, these parameters could be maximum depth or split criteria in a decision tree. As the complexity of your model increases, its predictive abilities often decrease after a certain point due to overfitting and multicollinearity issues. Hence, the resulting models often do not generalize well to new data, and they yield unstable parameter estimates.

Autotuning

SAS Visual Data Mining and Machine Learning autotuning feature automatically decides on the following:



- which modeling approaches to test
- which data to choose to train the model
- which data to test the results
- how to tune the parameters of the chosen model
- how to validate the results

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To create a good statistical model, many choices must be made when deciding on algorithms and their parameters. The usual approach is to apply trial-and-error methods to find the optimal algorithms for the problem at hand. Often, you choose algorithms based on practical experience and personal preferences. This is reasonable, because usually there is no unique and relevant solution to create a machine learning model. Many algorithms have been developed to automate manual and tedious steps of the machine learning pipeline. Still, it requires a lot of time and effort to build a machine learning model with trustworthy results.

A large portion of this manual work relates to finding the optimal set of hyperparameters for a chosen modeling algorithm. *Hyperparameters* are the parameters that define the model applied to a data set for automated information extraction. There are several ways to support you in this cumbersome work of tuning machine learning model parameters. These approaches are called *hyperparameter optimization*.

In general, there are three types:

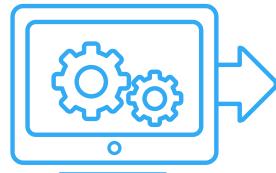
- **Parameter sweep:** This is an exhaustive search through a predefined set of parameter values. The data scientist selects the candidates of values for each parameter to tune, trains a model with each possible combination, and selects the best-performing model. Here, the outcome very much depends on the experience and selection of the data scientist.
- **Random search:** This is a search through a set of randomly selected sets of values for the model parameters. This can provide a less biased approach to finding an optimal set of parameters for the selected model. Because this is a random search, it is possible to miss the optimal set unless enough experiments are conducted, which can be expensive.
- **Parameter optimization:** This is the approach that applies modern optimization techniques to find the optimal solution. It is the best way to find the most appropriate set of parameters for any predictive model, and any business problem, in the least expensive way.

SAS has conducted research in hyperparameter tuning. In SAS products, these capabilities are referred to as *autotuning*. Model Studio provides autotuning capabilities to SAS Visual Data Mining and Machine Learning users. This offering provides a hyperparameter autotuning capability that is built on local search optimization (LSO) in SAS.

Autotuning Options

Search for the best combination of values in different properties:

- Maximum depth
- Minimum leaf size
- Interval input bins
- Grow criterion (class and interval targets)
- Search method – Bayesian, Genetic algorithm, Grid, Latin hypercube sample, Random
- Validation method – Partition, Cross validation
- Objective function (class and interval targets)



Autotuning searches for the best combination of the decision tree parameters. ***Performing autotuning can substantially increase run time.***

Autotuning runs based on some options, which limit the search of all possible combinations in terms of the decision tree parameters.

Maximum Depth specifies whether to autotune the maximum depth parameter. It ranges from 1 to 150. The default initial value for the maximum depth is 10. The default for the range is from 1 to 19.

Minimum Leaf Size specifies whether to autotune the minimum leaf size parameter. It ranges from 1 to 2,147,483,647. The default initial value for the minimum leaf size is 5. The default for the range is from 1 to 100.

Interval input bins specifies whether to autotune the number of interval input bins. It ranges from 2 to 500. The default initial value for the number of bins is 20. The default for the range is from 20 to 200.

Grow Criterion specifies whether to autotune the grow criterion. For class target, the options are Entropy, CHAID, Information gain ratio, Gini, and Chi-square. For interval target, the options are Variance, F test, and CHAID.

Search Options specifies the options for autotuning searching. The following options are available:

- **Bayesian** uses priors to seed the iterative optimization.
- **Genetic algorithm** uses an initial Latin hypercube sample that seeds a genetic algorithm. The genetic algorithm generates a new population of alternative configurations at each iteration. This is the default value.
- **Grid** uses the lower bound, upper bound, and midrange values for each autotuned parameter, with the initial value (or values) used as the baseline model.
- **Latin hypercube sample** performs an optimized grid search that is uniform in each tuning parameter, but random in combinations.
- **Random** generates a single sample of purely random configurations.

Number of evaluations per iteration specifies the number of tuning evaluations in one iteration. This option is available only if the search method is Genetic algorithm or Bayesian. The default value is 10. It ranges from 2 to 2,147,483,647.

Maximum number of evaluations specifies the maximum number of tuning evaluations. When the number of evaluations is reached, the tuner terminates the search and returns the results. This option is available only if the Search method is Genetic algorithm or Bayesian. The default value is 50. It ranges from 3 to 2,147,483,647.

Maximum number of iterations specifies the maximum number of optimization tuning iterations. Each iteration normally involves a number of objective evaluations. This option is available only if the search method is Genetic algorithm or Bayesian. The default value is 5. It ranges from 1 to 2,147,483,647.

Maximum number of points in model specifies the maximum number of points in the Kriging model. This option is available only if the search method is Bayesian. The default value is 100. It ranges from 1 to 2,147,483,647.

Sample size specifies the sample size. This option is available only if the search method is Random or Latin hypercube sample. The default value is 50. It ranges from 2 to 2,147,483,647.

There are some general options associated with the autotuning search.

Validation method specifies the validation method for finding the objective value. If your data are partitioned, then that partition is used. Validation method, Validation data proportion, and Cross validation number of folds are all ignored.

- **Partition** specifies using the partition validation method. With partition, you specify proportions to use for randomly assigning observations to each role.
 - **Training data proportion** specifies the proportion of data to be used for training the partition validation method. The default value is 0.7.
 - **Validation data proportion** specifies the proportion of data to be used for the partition validation method. The default value is 0.3.
- **K-fold cross validation** specifies using the cross validation method. In cross validation, each model evaluation requires k training executions (on k-1 data folds) and k scoring executions (on one holdout fold). This increases the evaluation time by approximately a factor of k.
 - **Cross validation number of folds** specifies the number of partition folds in the cross validation process (the k defined above). Possible values range from 2 to 20. The default value is 5.

Class target objective function specifies the objective function to optimize for tuning parameters for a nominal target. Possible values are average squared error, area under the curve, F1 score, F0.5 score, gamma, Gini coefficient, Kolmogorov-Smirnov statistic, multi-class log loss, misclassification rate, root average squared error, and Tau. The default value is Kolmogorov-Smirnov statistic.

Interval target objective function specifies the objective function to optimize for tuning parameters for an interval target. Possible values are average squared error, mean absolute error, mean square logarithmic error, root average squared error, root mean absolute error, and root mean square logarithmic error. The default value is average squared error.

Maximum time (minutes) specifies the maximum time in minutes for the optimization tuner.

Maximum training time for single model (in minutes) specifies the maximum time in minutes for a single model to train. If left blank (the default), there is no maximum time.

3.03 Multiple Choice Question

Which of the following statements is true regarding decision trees?

- a. A well-fit tree has low bias and high variance.
- b. Accuracy is obtained by multiplying the proportion of observations falling into each leaf by the proportion of those correctly classified in the leaf and then summing across all leaves.
- c. In bottom-up pruning, the subtree with the best performance on training data is selected.
- d. Top-down pruning is usually slower but is considered more effective than bottom-up pruning.



Improving a Decision Tree Model by Changing the Pruning Parameters

In this demonstration, you change the default settings of the Decision Tree node in the Lesson 3 pipeline. You modify the pruning parameters and compare this model performance to the model built earlier in the course.

1. To recall, the previous model, based on changes on the tree structure and the recursive partitioning parameters, achieved an average squared error of 0.0630 on the VALIDATE partition.
2. Try to improve the model's performance by modifying some of the settings of the decision tree model. In the properties pane, expand the properties under Pruning Options.
3. Change **Subtree method** from Cost complexity to **Reduced error**.

The cost complexity pruning method helps prevent overfitting by making a trade-off between the complexity (size) of a tree and the error rate. Thus, large trees with a low error rate are penalized in favor of smaller trees. On the other hand, reduced error subtree method performs pruning and subtree selection based on minimizing the error rate in the validation partition at each pruning step and then in the overall subtree sequence. The error rate is based on the misclassification rate for a categorical response variable.

4. Run the **Decision Tree** node.
5. Open the results for the node.
6. Click the **Assessment** tab. (You might need to expand the Fit Statistics table.)

| Target ... | Data Role | Partitio... | Format... | Sum of ... | Averag... |
|------------|-----------|-------------|-----------|------------|-----------|
| churn | TRAIN | 1 | 1 | 39,590 | 0.0574 |
| churn | VALIDATE | 0 | 0 | 16,967 | 0.0626 |

The average squared error for the tuned decision tree model is 0.0626 on the VALIDATE partition. This average squared error shows the slightest of improvements from the last model built.

6. Close the Results window.

7. Run the entire pipeline and view the results of the Model Comparison node. The Model Comparison table shows that the decision tree model is currently the champion from the Lesson 3 pipeline. This is based on the default fit statistic KS.

| Champion | Name | Algorithm Name | KS (Yoden) | Misclassification Rate |
|----------|---------------------|---------------------|------------|------------------------|
| ☒ | Decision Tree | Decision Tree | 0.5480 | 0.0711 |
| | Logistic Regression | Logistic Regression | 0.5338 | 0.0815 |

8. Close the results of the Model Comparison node.

End of Demonstration



Practice

1. Building a Decision Tree

- a. Build a decision tree using the Autotune feature. Add a Decision Tree node to the Lesson 3 pipeline, below the Variable Selection node. Use the Autotune feature. Explore the settings that are made available when **Autotune** is selected.

Note: This practice might take several minutes to run.

- b. What criteria were selected for the champion model?
 - Split criteria
 - Pruning method
 - Maximum number of branches
 - Maximum tree depth
- c. How does the autotuned decision tree compare to the other models in the pipeline, particularly to the decision tree model built during the demonstration? Consider the fit statistic average squared error for this comparison.

End of Practices

3.5 Ensembles of Trees

Essential Discovery Tasks



- Select an algorithm.
- Improve the model.
- Optimize complexity of the model.
- Regularize and tune hyperparameters of the model.
- Build ensemble models.

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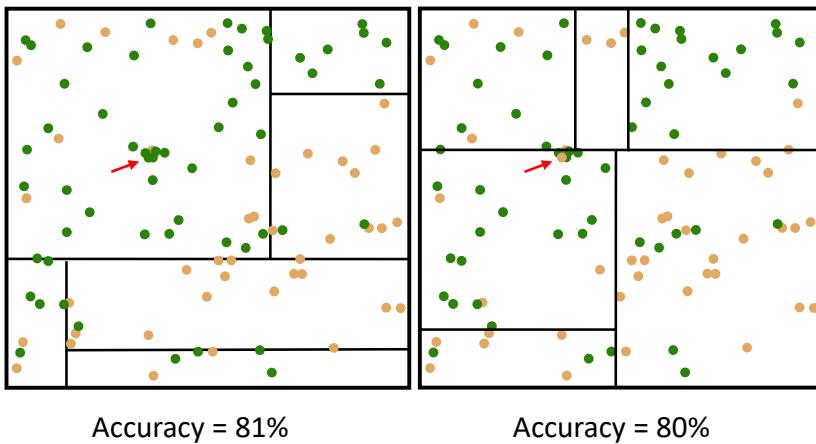
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Even with an understanding of some of the basic guidelines for selecting an algorithm and incorporating hyperparameter tuning, determining the single most effective machine learning algorithm (and its tuning parameters) to use for a problem and data set is a daunting task. Ensemble modeling can take some of that weight off your shoulders and can give you peace of mind that the predictions are the result of a collaborative effort, or consensus, among multiple models that are trained either from different algorithms that approach the problem from different perspectives, or from the same algorithm applied to different samples or using different tuning parameter settings, or both.

Instability

One reversal



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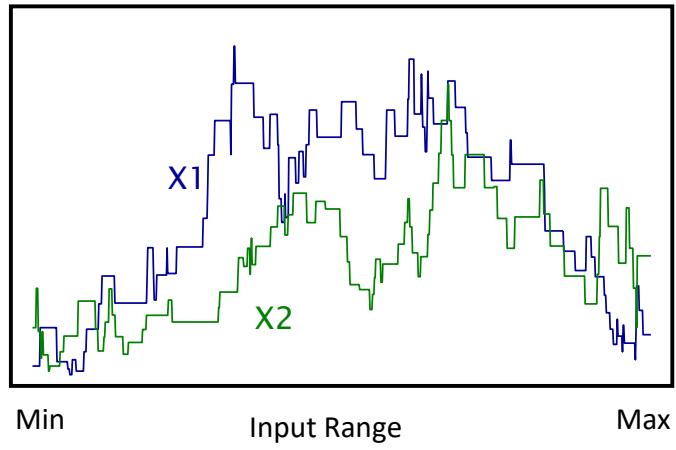


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Decision trees are unstable models. That is, small changes in the training data can cause large changes in the topology of the tree. However, the overall performance of the tree remains stable (Breiman et al. 1984). In the above example, changing the class label of one case resulted in a completely different tree with nearly the same accuracy.

Competitor Splits

Logworth

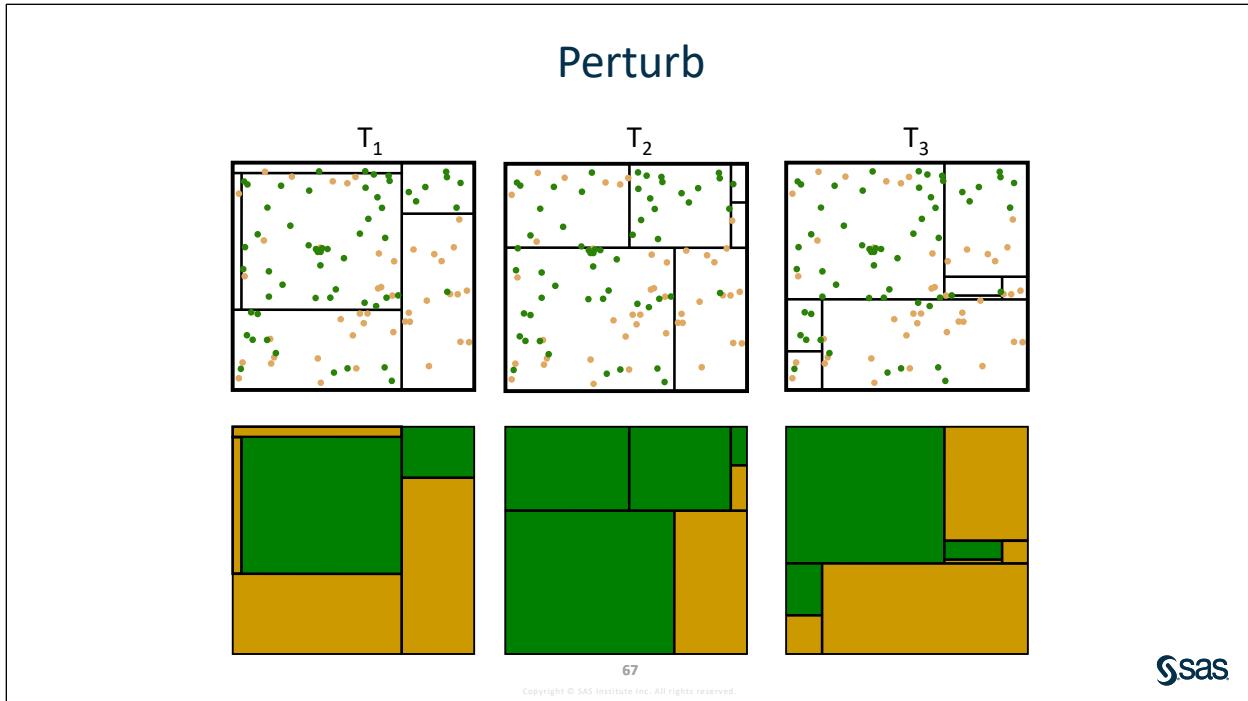


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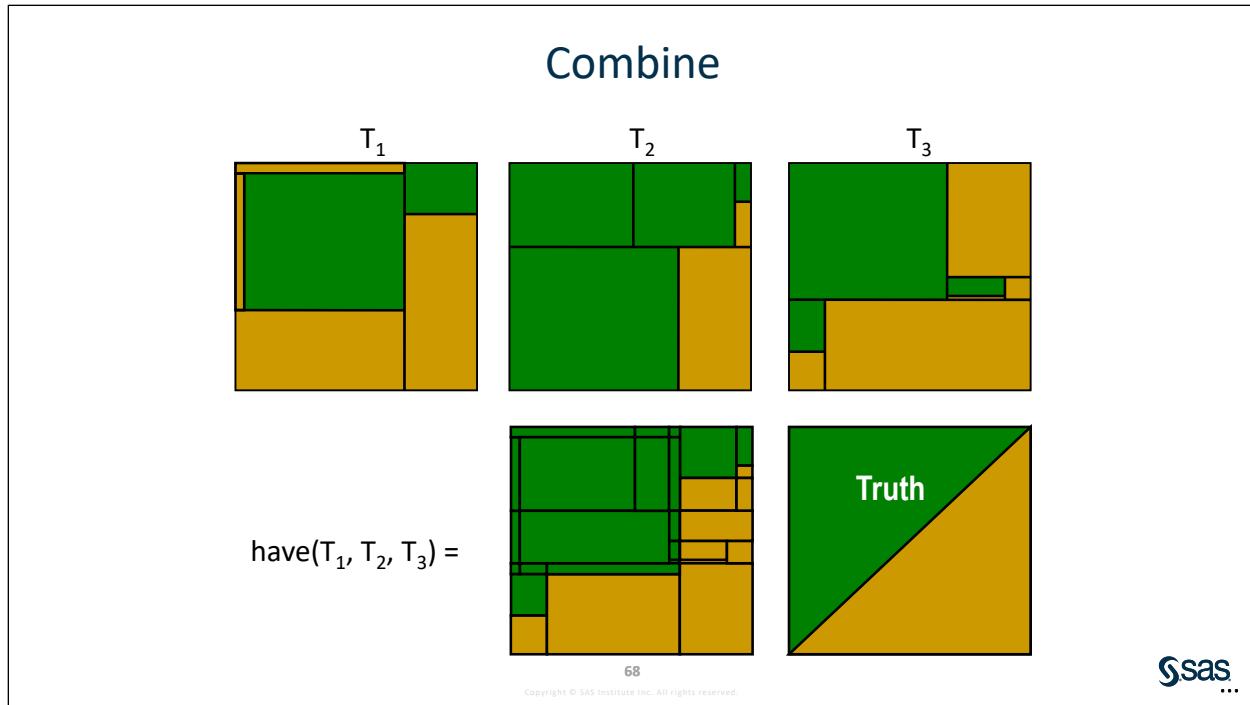
The instability results from the large number of univariate splits considered and the fragmentation of the data. At each split, there are typically a number of splits on the same and different inputs that give similar performance (competitor splits). A small change in the data can easily result in a different split being chosen. This in turn produces different subsets in the child nodes. The changes in the data are even larger in the child nodes. The changes continue to cascade down the tree.



Methods have been devised to take advantage of the instability of trees to create models that are more powerful. *Perturb and combine (P & C)* methods generate multiple models by manipulating the distribution of the data or altering the construction method (such as changing the tree settings) and then averaging the results (Breiman 1998). (The “perturb” step is illustrated above, where perhaps the splitting criteria change between the trees. The “combine” step is illustrated on the next slide.) Any unstable modeling method can be used, but trees are most often chosen because of their speed and flexibility.

Here are some perturbation methods:

- resample
- subsample
- add noise
- adaptively reweight
- randomly choose from the competitor splits



An ensemble model is the combination of multiple models. The combinations can be formed in these ways:

- voting on the classifications
- using weighted voting, where some models have more weight
- averaging (weighted or unweighted) the predicted values

Ensemble methods are a very active area of research in the fields of machine learning and statistics. Many other P & C methods have been devised.

The attractiveness of P & C methods is their improved performance over single models. Bauer and Kohavi (1999) demonstrated the superiority of P & C methods with extensive experimentation. One reason why simple P & C methods give improved performance is variance reduction. If the base models have low bias and high variance, then averaging decreases the variance. In contrast, combining stable models can negatively affect performance. The reasons why adaptive P & C methods work go beyond simple variance reduction and are the topic of much research. (For example, see Breiman 1998.) Graphical explanations show that ensembles of trees have decision boundaries of much finer resolution than would be possible with a single tree (Rao and Potts 1997).

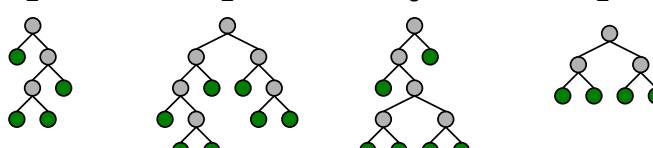
A new case is scored by running it down the multiple trees and averaging the results. Multiple models need to be stored and processed. The simple interpretation of a single tree is lost.

Bagging goes a long way towards making a silk purse out of a sow's ear, especially if the sow's ear is twitchy. ... What one loses, with the trees, is a simple and interpretable structure. What one gains is increased accuracy.

— Breiman (1996)

Bagging (Bootstrap Aggregation)

| | k=1 | k=2 | k=3 | k=4 | ... |
|-------------|-------------|-------------|-------------|-------------|-----|
| <u>case</u> | <u>freq</u> | <u>freq</u> | <u>freq</u> | <u>freq</u> | |
| 1 | 1 | 0 | 3 | 1 | |
| 2 | 0 | 1 | 1 | 1 | |
| 3 | 2 | 0 | 0 | 2 | |
| 4 | 0 | 2 | 2 | 0 | |
| 5 | 2 | 2 | 0 | 1 | |
| 6 | 1 | 1 | 0 | 1 | |



Bagging (bootstrap aggregation) is the original P & C method (Breiman 1996).

1. Draw K bootstrap samples.

A *bootstrap sample* is a random sample of size n drawn from the empirical distribution of a sample of size n . That is, the training data are resampled with replacement. Some of the cases are left out of the sample, and some cases are represented more than once.

2. Build a tree on each bootstrap sample.

Pruning can be counterproductive (Bauer and Kohavi 1999). Large trees with low bias and high variance are ideal.

3. Vote or average.

For classification problems, take the mean of the posterior probabilities or take the plurality vote of the predicted class. Bauer and Kohavi (1999) found that averaging the posterior probabilities gave slightly better performance than voting. Take a mean of the predicted values for regression.

Breiman (1996) used 50 bootstrap replicates for classification and 25 for regression and for averaging the posterior probabilities. Bauer and Kohavi (1999) used 25 replicates for both voting and averaging.

Boosting

| | k=1 | | | k=2 | | | k=3 | | | k=4 ... | |
|-------------|-------------|----------|--|-------------|----------|--|-------------|----------|--|-------------|--|
| <u>case</u> | <u>freq</u> | <u>m</u> | | <u>freq</u> | <u>m</u> | | <u>freq</u> | <u>m</u> | | <u>freq</u> | |
| 1 | 1 | 1 | | 1.5 | 1 | | .5 | 2 | | .97 | |
| 2 | 1 | 0 | | .75 | 0 | | .25 | 0 | | .06 | |
| 3 | 1 | 1 | | 1.5 | 2 | | 4.25 | 3 | | 4.69 | |
| 4 | 1 | 0 | | .75 | 1 | | 1.5 | 1 | | .53 | |
| 5 | 1 | 0 | | .75 | 0 | | .25 | 0 | | .06 | |
| 6 | 1 | 0 | | .75 | 0 | | .25 | 1 | | .51 | |

**Shown is Arc-x4, one method of boosting*

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 sas ...

"Boosting is a machine learning ensemble meta-algorithm for primarily reducing bias, and also variance." (Breiman 1996). "The term boosting refers to a family of algorithms that are able to convert weak learners to strong learners." (Zhou 2012).

Arcing (adaptive resampling and combining) methods are examples of boosting. They sequentially perturb the training data based on the results of the previous models. Cases that are incorrectly classified are given more weight in subsequent models. Arc-x4 (Breiman 1998) is a simplified version of the AdaBoost (adaptive boosting, also known as Arc-fs) algorithm of Freund and Schapire (1996). Both algorithms give similar performance (Breiman 1998, Bauer and Kohavi 1999).

At the k th step, a model (decision tree) is fit using weights for each case. For the i th case, the arc-x4 weights (that is, the selection probabilities) are

$$p(i) = \frac{1 + m(i)^4}{\sum(1 + m(i)^4)},$$

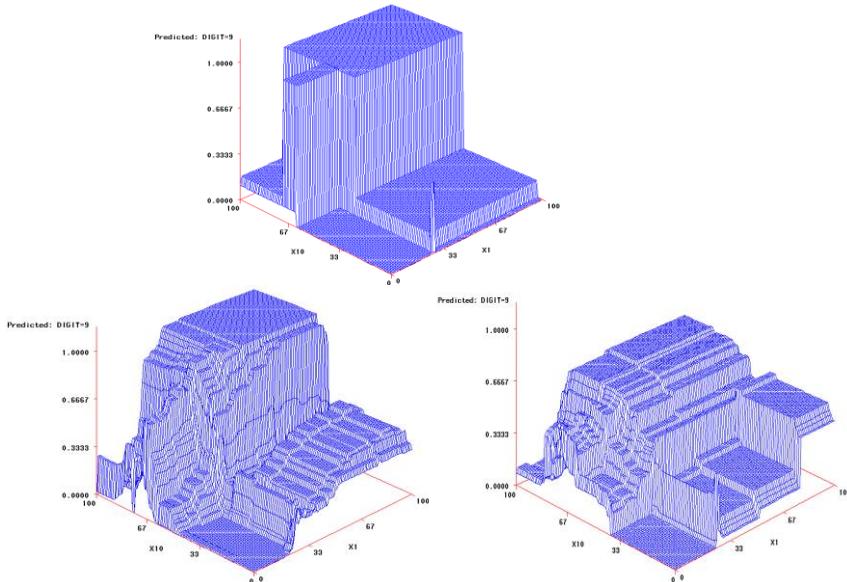
where $0 \leq m(i) \leq k$ is the number of times that the i th case is misclassified in the preceding steps. Unlike bagging, pruning the individual trees improves performance (Bauer and Kohavi 1999).

The weights are incorporated either by using a weighted analysis or by resampling the data such that the probability that the i th case is selected is $p(i)$. For convenience, the weights can be normalized to frequencies by multiplying by the sample size, n (as shown above). Bauer and Kohavi (1999) found that resampling performed better than reweighting for arc-x4 but did not change the performance of AdaBoost. AdaBoost uses a different (more complicated) formula for $p(i)$. Both formulas put greater weight on cases that are frequently misclassified.

The process is repeated K times, and the K models are combined by voting or averaging the posterior probabilities. AdaBoost uses weighted voting where models with fewer misclassifications, particularly of the hard-to-classify cases, are given more weight. Breiman (1998) used $K=50$. Bauer and Kohavi (1999) used $K=25$.

Arcing improves performance to a greater degree than bagging, but the improvement is less consistent (Breiman 1998, Bauer and Kohavi 1999).

Single, Bagged, and Boosted Tree



Sas

You can visualize the effects of bagging and boosting on a data set with two inputs. These methods tend to smooth the prediction surface when compared to a single tree.

Gradient Boosting with Decision Trees

- The gradient boosting algorithm is similar to standard boosting, except that at each iteration, the target is the residual from the previous decision tree model.
- At each step, the accuracy of the tree is computed.
- Successive samples are adjusted to accommodate previous inaccuracies.
- The model is a weighted ($\beta_1 \dots \beta_M$) linear combination of (usually) simple models.

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Details: Gradient Boosting with an Interval Target

The gradient boosting algorithm is a weighted ($\beta_1 \dots \beta_M$) linear combination of (usually) simple models ($T_1 \dots T_M$). (Friedman 2001). In SAS Visual Data Mining and Machine Learning, the base model is a decision tree.

Begin with an initial guess, F_0 , and proceed in a stage-wise manner fitting subsequent (m) tree models to “pseudo” residuals (\tilde{y}_{im}). The residuals are computed from target values (y_i) and predictions from the function at the previous iteration ($F_{m-1}(x_i)$). The function $F_m(x)$ is updated by adding the fitted model, $v\beta_m T_m(x)$ to $F_{m-1}(x)$.

The shrinkage parameter, v ($0 < v < 1$) controls the learning rate of the algorithm. Friedman (2001) found that small values (≤ 0.1) lead to better generalization.

In regression trees with interval targets and least-square loss criterion, the “pseudo” residual, \tilde{y}_{im} , and the “guess,” F_0 , are defined as follows:

$$\tilde{y}_{im} = y_i - F_{m-1}(x_i)$$

$$F_0 = \bar{y}$$

In classification trees with a binary target ($y \in \{-1, 1\}$) and binomial log-likelihood loss criterion, the “pseudo” residuals and F_0 are

$$\tilde{y}_{im} = 2y_i / (1 + \exp(2y_i F_{m-1}(x_i)))$$

$$F_0 = \frac{1}{2} \log \left(\frac{1 + \bar{y}}{1 - \bar{y}} \right).$$

The binary target predictions from the final approximation $F_M(x)$ can be transformed to yield probability estimates.

$$\hat{p}_{+1} = 1 / (1 + e^{-2F_M(x)}) , \quad \hat{p}_{-1} = 1 / (1 + e^{2F_M(x)})$$

Friedman (2002) showed that accuracy and speed can be improved by sub-sampling training data randomly (without replacement) at each iteration leading to the stochastic gradient boosting algorithm.

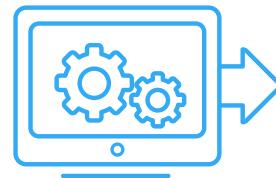
Gradient boosting trains a sequence of trees over multiple iterations similar to boosting. The main difference is that it minimizes a stochastic gradient descent function when oversampling to reduce the residuals of the model.

SAS Visual Data Mining and Machine Learning creates a series of trees, which form a single model. A tree in the series is fit to the residuals of the prediction from the earlier trees in the series. The residual is defined in terms of the derivative of a loss function. For squared error on an interval target, $\hat{r} = y_i - \hat{y}_i$. Each time that the data are used to grow a tree, the accuracy of the tree is computed. Successive samples are adjusted to accommodate previous inaccuracies. Each successive sample is weighted per the accuracy of the previous models. (See the SAS Visual Data Mining and Machine Learning documentation for more details.)

Autotuning Options

Search for the best combination of values in different properties:

- Maximum depth and Minimum leaf size
- Regularization (L1 and L2)
- Learning rate
- Number of trees and interval bins
- Number of inputs per split
- Subsample rate
- Search method – Bayesian, Genetic algorithm, Grid,
Latin hypercube sample, Random
- Validation method – Partition, K-fold cross validation
- Objective function (class and interval targets)



Note: Quantile binning usually does better than bucket binning, which is the default.



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Autotuning searches for the best combination of the gradient boosting parameters. **Performing autotuning can substantially increase run time.**

Autotuning runs based on the following options, which limit the search of all possible combinations in terms of the gradient boosting parameters.

L1 Regularization penalizes the absolute value for the weights. Different values for L1 are tried between the range defined by From and To. The default initial value for L1 is 0. The default for the range is from 0 to 10.

L2 Regularization penalizes the square value for the weights. Different values for L2 are tried between the range established by From and To. The default initial value for L2 is 0. The default for the range is from 0 to 10.

Learning Rate controls the size of the weight changes. It ranges from 0 (exclusive) to 1. The default initial value is 0.1. The default initial value for the learning rate is 0.1. The default for the range is from 0.01 to 1.

Maximum Depth specifies whether to autotune the maximum depth parameter. It ranges from 1 to 50. The default initial value for the maximum depth is 4. The default for the range is from 1 to 6.

Minimum Leaf Size specifies whether to autotune the minimum leaf size parameter. It ranges from 1 to 2,147,483,647. The default initial value for the minimum leaf size is 5. The default for the range is from 1 to 100.

Number of interval bins specifies whether to autotune the number of interval bins. It ranges from 2 to 500. The default initial value for the number of bins is 50. The default for the range is from 20 to 100.

Number of Inputs per Split specifies the number of inputs evaluated per split. The default value is 100. The default range is from 1 to 100.

Number of trees specifies whether to autotune the number of trees in a boosting series. The default initial value is 100. The range is from 20 to 150.

Subsample Rate specifies the subsample rate. The default initial value is 0.5. The default range is from 0.1 to 1.

Search Options specifies the options for autotuning searching. The following options are available:

- **Bayesian** uses priors to seed the iterative optimization.
- **Genetic algorithm** uses an initial Latin hypercube sample that seeds a genetic algorithm. The genetic algorithm generates a new population of alternative configurations at each iteration.
- **Grid** uses the lower bound, upper bound, and midrange values for each autotuned parameter, and the initial value (or values) is used as the baseline model.
- **Latin hypercube sample** performs an optimized grid search that is uniform in each tuning parameter, but random in combinations.
- **Random** generates a single sample of purely random configurations.

Number of evaluations per iteration specifies the number of tuning evaluations in one iteration. This option is available only if the Search method is Genetic algorithm or Bayesian. The default value is 10. It ranges from 2 to 2,147,483,647.

Maximum number of evaluations specifies the maximum number of tuning evaluations. This option is available only if the Search method is Genetic algorithm or Bayesian. The default value is 50. It ranges from 3 to 2,147,483,647.

Maximum number of iterations specifies the maximum number of tuning iterations. This option is available only if the Search method is Genetic algorithm or Bayesian. The default value is 5. It ranges from 1 to 2,147,483,647.

Maximum number of points in model specifies the maximum number of points in the model. This option is available only if the search method is Bayesian. The default value is 100. It ranges from 1 to 2,147,483,647.

Sample size specifies the sample size. This option is available only if the Search method is Random or Latin hypercube sample. The default value is 50. It ranges from 2 to 2,147,483,647.

There are some general options associated with the autotuning search.

Validation method specifies the validation method for finding the objective value. If your data are partitioned, then that partition is used. Validation method, Validation data proportion, and Cross validation number of folds are all ignored.

- **Partition** specifies using the partition validation method. With partition, you specify proportions to use for randomly assigning observations to each role.
 - **Training data proportion** specifies the proportion of data to be used for training the partition validation method. The default value is 0.7.
 - **Validation data proportion** specifies the proportion of data to be used for the Partition validation method. The default value is 0.3.
- **K-fold cross validation** specifies using the cross validation method. In cross validation, each model evaluation requires k training executions (on k-1 data folds) and k scoring executions (on one holdout fold). This increases the evaluation time by approximately a factor of k.
 - **Cross validation number of folds** specifies the number of partition folds in the cross validation process (the k defined above). Possible values range from 2 to 20. The default value is 5.

Class target objective function specifies the objective function to optimize for tuning parameters for a nominal target. Possible values are average squared error, area under the curve, F1 score, F0.5 score, gamma, Gini coefficient, Kolmogorov-Smirnov statistic, multi-class log loss, misclassification rate, root average squared error, and Tau. The default value is Kolmogorov-Smirnov statistic.

Interval target objective function specifies the objective function to optimize for tuning parameters for an interval target. Possible values are average squared error, mean absolute error, mean square logarithmic error, root average squared error, root mean absolute error, and root mean square logarithmic error. The default value is average squared error.

Maximum time (minutes) specifies the maximum time in minutes for the optimization tuner.

Maximum training time for single model (in minutes) specifies the maximum time in minutes for a single model to train. If left blank (the default), there is no maximum time.



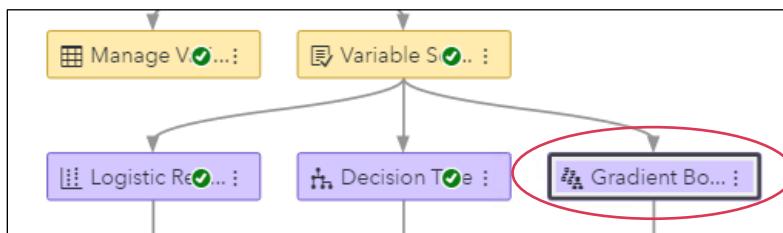
Building a Gradient Boosting Model

The algorithm for gradient boosting evolved from the application of boosting methods to regression trees. The main idea is to compute a sequence of simple trees, where each successive tree is built for the prediction residuals of the preceding tree. This method builds trees by partitioning the data into samples at each split node. Then, at each step of the boosting trees algorithm, a best partitioning of the data is determined, and the deviations of the observed values from the respective residuals for each partition are computed. The next trees are fitted to those residuals, to find another partition that further reduces the residual variance for the data, given the preceding sequence of trees.

This additive weighted approach of trees can produce excellent fit of the predicted values to the observed values, even if the specific nature of the relationships between the inputs and the target is complex. For that reason, the method of gradient boosting by fitting a weighted additive expansion of simple trees can create general and powerful machine learning models.

In this demonstration, you add a Gradient Boosting node to the Lesson 3 pipeline. You build a default gradient boosting model, change some of the settings, and compare the model to the other models in the pipeline.

1. In the Lesson 3 pipeline, right-click the **Variable Selection** node and select **Add child node** \Rightarrow **Supervised Learning** \Rightarrow **Gradient Boosting**.



2. Keep all properties for the Gradient Boosting node at their defaults. Run the **Gradient Boosting** node.
3. Open the results for the Gradient Boosting node.
4. Click the **Assessment** tab.

| Target ... | Data Role | Partitio... | Format... | Sum of ... | Averag... |
|------------|-----------|-------------|-----------|------------|-----------|
| churn | TRAIN | 1 | 1 | 39,590 | 0.0546 |
| churn | VALIDATE | 0 | 0 | 16,967 | 0.0588 |

The Fit Statistics table, shown above, shows an average squared error of 0.0588 on the VALIDATE partition.

This performance is pretty good, even better than the decision tree tuned in the previous demonstrations. Regardless, try to improve the gradient boosting performance by changing some of the default settings.

5. Close the Results window.

6. Reduce **Number of trees** from 100 to **50**.

Generally, adding more trees to the model can be very slow to overfit. The advice is to keep adding trees until no further improvement is observed.

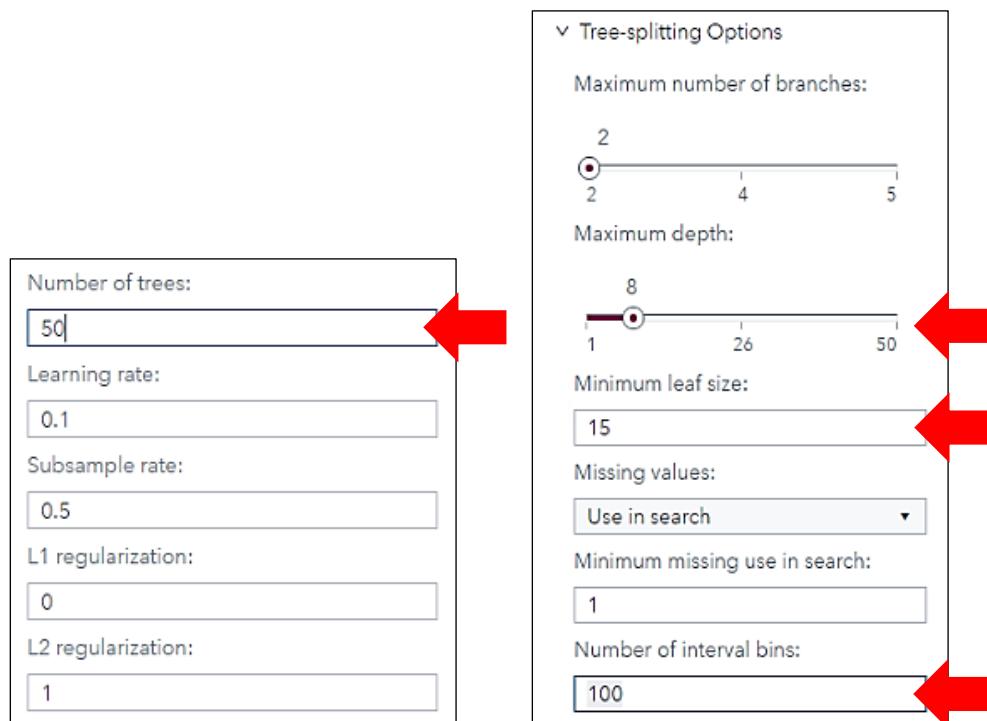
7. Under the Tree-splitting Options properties, increase **Maximum depth** from 4 to **8**.

Deeper trees are more complex trees and therefore you might prefer shorter trees. Generally, better results are seen with 4 to 8 levels. However, here you try more complex trees to compensate reduced number of trees in the previous setting. It is all trial and error!

8. Increase **Minimum leaf size** from 5 to **15**.

If you choose too small a leaf size, you can see that it might result in more splits. Too deep a tree means overfitting! On the flip side, if you choose a large leaf size (say in the above example), the tree might stop growing after few splits. **Note that this might result in poor predictive performance.** Let's see.

9. Increase **Number of interval bins** from 50 to **100**.



10. Run the **Gradient Boosting** node.

11. Open the results for the node to examine the model fit statistics.

| Target ... | Data Role | Partitio... | Format... | Sum of ... | Averag... |
|------------|-----------|-------------|-----------|------------|-----------|
| churn | TRAIN | 1 | 1 | 39,590 | 0.0483 |
| churn | VALIDATE | 0 | 0 | 16,967 | 0.0569 |

12. The average squared error for the tuned gradient boosting model is 0.0569 on the VALIDATE partition. This fit statistic is slightly better than the first model, which used the default settings.

13. Close the Results window.

End of Demonstration



Practice

2. Building a Gradient Boosting Model

- a. Build a gradient boosting model using the Autotune feature. Add a Gradient Boosting node to the Lesson 3 pipeline, below the Variable Selection node. Use the Autotune feature. Explore the settings that are made available when **Autotune** is selected.

Note: This practice might take several minutes to run.

- b. What criteria were selected for the champion model?
 - Number of trees
 - Number of variables per split
 - Number of bins
 - Maximum number of branches
 - Maximum depth
- c. How does the autotuned gradient boosting compare to the other models in the pipeline, particularly to the gradient boosting model built during the demonstration? Consider the fit statistic average squared error for this comparison.

End of Practices

Forest Models

- A *forest model* is an ensemble of classification, or regression, trees.
- Trees in the forest differ from each other in two ways:
 - Training data for a tree is a sample with replacement from all observations.
 - Input variables considered for splitting a node are randomly selected from available inputs. Only the variable most associated with the target is split for that node.

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A *random forest* is an ensemble of simple decision trees, each one able to produce its own response to a set of input variables. For classification problems, this response takes the form of a class, which classifies a set of independent variables with one of the categories in the dependent variable. Alternatively, for regression problems, the tree takes the form of an estimate of the dependent variable given the set of independent variables.

A forest model consists of an arbitrary number of simple decision trees that are used to determine the final outcome. For a categorical target, the response of the ensemble of simple decision trees is the vote for the most popular class or the average of the posterior probabilities of the individual trees. For an interval target, the response of the ensemble model is the average of the estimate of the individual decision trees.

The trees that make up a forest differ from each other in two ways:

- The training data for each tree are sampled with replacement from all observations that were originally in the training data.
- The input variables considered for splitting for any given tree are selected randomly from all available inputs.

Among these variables, only the variable most associated with the target is used when forming a split. This means that each tree is created on a sample of the inputs and from a sample of observations. Repeating this process many, many times creates a more stable model than a single tree. The reason for using a sample of the data to construct each tree is because when less than all available observations are used, the generalization error is often improved. In addition, a different sample is taken for each tree.

Forest Algorithm

- Recall that bagging takes bootstrap samples of the rows of training data. All columns are considered for splitting at every step.
- The forest algorithm samples the rows **and** the columns at each step.
- The forest algorithm perturbs the training data more than the bagging algorithm.
- This increased variation among the trees in the ensemble often leads to improved predictive accuracy.

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In the forest algorithm, rather than taking bootstrap samples of only the rows, variables are also randomly sampled. This results in a forest, consisting of trees that use different combinations of rows and variables to determine splits. This additional perturbation (beyond bagging) leads to greater diversity in the trees, and better predictive accuracy.

Out-of-Bag Sample

- The out-of-bag sample refers to the training data that are excluded during the construction of an individual tree.
- Observations in the training data that are used to construct an individual tree are the bagged sample.
- Some model assessments such as the iteration plots are computed using the out-of-bag sample as well as all the training data.

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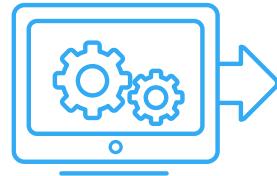
A decision tree in a forest trains on new training data that are derived from the original training data presented to the model. Training different trees with different training data reduces the correlation of the predictions of the trees, which in turn should improve the predictions of the forest. The training data for an individual tree exclude some of the available data. The data that are withheld from training are called the *out-of-bag sample*. Observations in the training sample are called the *bagged observations*, and the training data for a specific decision tree are called the *bagged data*. For each individual tree, the out-of-bag sample is used to form predictions. These predictions are more reliable than those from training data.

Model assessment such as misclassification rates, average squared error, and iteration plots are constructed on both the entire training data set as well as the out-of-bag sample.

Autotuning Options

Search for the best combination of values in different properties:

- Maximum depth
- Minimum leaf size
- Number of interval bins
- Number of trees
- In-bag sample proportion
- Number of inputs per split
- Search method – Bayesian, Genetic algorithm, Grid, Latin hypercube sample, Random
- Validation method – Partition, K-fold cross validation
- Objective function (class and interval targets)



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Autotuning searches for the best combination of the forest parameters. ***Performing autotuning can substantially increase run time.***

Autotuning runs based on some options, which limit the search of all possible combinations in terms of the forest parameters.

Maximum Depth specifies how deep each tree can grow. It ranges from 1 to 50. The default initial value for the maximum depth is 20. The default for the range is from 1 to 29.

Minimum Leaf Size specifies whether to autotune the minimum leaf size parameter. It ranges from 1 to 2,147,483,647. The default initial value for the minimum leaf size is 5. The default for the range is from 1 to 100.

Number of interval bins specifies whether to autotune the number of interval bins. It ranges from 2 to 500. The default initial value for the number of bins is 50. The default for the range is from 20 to 100.

Number of Trees specifies the number of trees in the forest. It ranges from 1 to 1000. The default initial value for the number of trees is 100. The default for the range is from 20 to 150.

In-bag Sample Proportion specifies the in-bag sample proportion. It ranges from 0 (exclusive) to 1. The default initial value for the proportion is 0.6. The default for the range is from 0.1 to 0.9.

Number of Inputs per Split specifies the number of inputs evaluated per split. The default value is 100. The default range is from 1 to 100.

Search Options specifies the options for autotuning searching. The following options are available:

- **Bayesian** uses priors to seed the iterative optimization.
- **Genetic algorithm** uses an initial Latin hypercube sample that seeds a genetic algorithm. The genetic algorithm generates a new population of alternative configurations at each iteration.
- **Grid** uses the lower bound, upper bound, and midrange values for each autotuned parameter, with the initial value (or values) used as the baseline model.
- **Latin hypercube sample** performs an optimized grid search that is uniform in each tuning parameter, but random in combinations.
- **Random** generates a single sample of purely random configurations.

Number of evaluations per iteration specifies the number of tuning evaluations in one iteration. This option is available only if the search method is Genetic algorithm or Bayesian. The default value is 10. It ranges from 2 to 2,147,483,647.

Maximum number of evaluations specifies the maximum number of tuning evaluations. This option is available only if the search method is Genetic algorithm or Bayesian. The default value is 50. It ranges from 3 to 2,147,483,647.

Maximum number of iterations specifies the maximum number of tuning iterations. This option is available only if the search method is Genetic algorithm or Bayesian. The default value is 5. It ranges from 1 to 2,147,483,647.

Sample size specifies the sample size. This option is available only if the search method is Random or Latin hypercube sample. The default value is 50. It ranges from 2 to 2,147,483,647.

There are some general options associated with the autotuning search.

Validation method specifies the validation method for finding the objective value. If your data are partitioned, then that partition is used. Validation method, Validation data proportion, and Cross validation number of folds are all ignored.

- **Partition** specifies using the partition validation method. With partition, you specify proportions to use for randomly assigning observations to each role.
 - **Training data proportion** specifies the proportion of data to be used for training the partition validation method. The default value is 0.7.
 - **Validation data proportion** specifies the proportion of data to be used for the Partition validation method. The default value is 0.3.
- **K-fold cross validation** specifies using the cross validation method. In cross validation, each model evaluation requires k training executions (on k-1 data folds) and k scoring executions (on one holdout fold). This increases the evaluation time by approximately a factor of k.
 - **Cross validation number of folds** specifies the number of partition folds in the cross validation process (the k defined above). Possible values range from 2 to 20. The default value is 5.

Class target objective function specifies the objective function to optimize for tuning parameters for a nominal target. Possible values are average squared error, area under the curve, F1 score, F0.5 score, gamma, Gini coefficient, Kolmogorov-Smirnov statistic, multi-class log loss, misclassification rate, root average squared error, and Tau. The default value is Kolmogorov-Smirnov statistic.

Interval target objective function specifies the objective function to optimize for tuning parameters for an interval target. Possible values are average squared error, mean absolute error, mean square logarithmic error, root average squared error, root mean absolute error, and root mean square logarithmic error. The default value is average squared error.

Maximum time (minutes) specifies the maximum time in minutes for the optimization tuner.

Maximum training time for single model (in minutes) specifies the maximum time in minutes for a single model to train. If left blank (the default), there is no maximum time.

3.04 Multiple Choice Question

Which of the following statements is true regarding tree-based models?

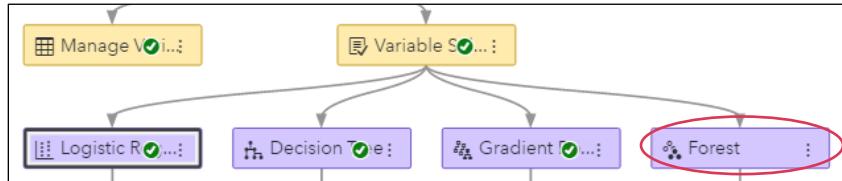
- a. Small changes in the training data can cause large changes in the topology of a tree.
- b. Ensemble models are used only with decision trees.
- c. In the boosting algorithm, cases that are correctly classified are given more weight in subsequent models.
- d. In the bagging algorithm, the training data is resampled without replacement.



Modeling a Binary Target with a Forest

In this demonstration, you add a Forest node to the Lesson 3 pipeline. You build a default forest model, change some of the settings, and compare the model to the other models in the pipeline.

1. In the Lesson 3 pipeline, right-click the **Variable Selection** node and select **Add child node** \Rightarrow **Supervised Learning** \Rightarrow **Forest**.



2. Keep all properties for the forest at their defaults. Run the **Forest** node.
3. Open the results for the node.
4. Click the **Assessment** tab.

| Target ... | Data Role | Partitio... | Format... | Sum of ... | Averag... |
|------------|-----------|-------------|-----------|------------|-----------|
| churn | TRAIN | 1 | 1 | 39,590 | 0.0506 |
| churn | VALIDATE | 0 | 0 | 16,967 | 0.0591 |

The Fit Statistics table shows an average squared error of 0.0591 on the VALIDATE partition.

This performance is again pretty good, better than the decision tree tuned in the earlier demonstration (but not quite as good as for the gradient boosting models). But again, try to improve the forest performance by changing some of the default settings.

5. Close the Results window.
6. The random forest is an ensemble of many decision trees, so it stands to reason that the number of trees will have a significant effect on the resulting model accuracy. Reduce **Number of trees** from 100 to **50**.

In general, the more trees you use tends to improve the performance of the forest. However, the improvement decreases as the number of trees increases. In other words, at a certain point, the benefit in prediction performance from learning more trees will be lower than the cost in computation time for learning these additional trees.

If you do not have any concern regarding the computation times, the more trees you have, the better (reliable) estimates you get from out-of-bag predictions. You can use OOB error rate to determine the number of trees.

7. Under the Tree-splitting Options properties, change **Class Target Criterion** from Information gain ratio to **Entropy**.

Information gain ratio is a measure of purity. Entropy on the other hand is a measure of impurity (the opposite). Entropy controls how a decision tree decides to split the data. It affects how a decision tree draws its boundaries.

8. Decrease **Maximum depth** from 20 to **12**.

9. Increase **Minimum leaf size** from 5 to **15**.

The decision trees in a random forest are overtrained by letting them grow to a large depth (default maximum depth of 20) and small leaf size (default smallest number of observations per node of 5). The idea behind this approach is that averaging the predicted probabilities of a large number of overtrained trees is more robust than using a single fine-tuned decision tree.

10. Increase **Number of interval bins** from 50 to **100**.

11. Clear the box for the option **Use default number of inputs to consider per split**, which by default is the square root of the number of available inputs. Set this parameter to **7** (half of inputs).

This is another key aspect of random forests: how many variables to consider for splitting each node (that is, a random subset of all variables, as opposed to considering all variables). This might reduce the bias toward the most influential variables and allows for a more generalizable model. You can manually change this option over numerous training runs.

| | |
|---|--------------------------|
| Number of trees: | 15 |
| Class target voting method: | Use in search |
| Class target criterion: | Entropy |
| Interval target criterion: | Variance |
| Maximum number of branches: | 2 |
| Maximum depth: | 12 |
| Missing values: | 1 |
| Number of interval bins: | 100 |
| Interval bin method: | Quantile |
| In-bag sample proportion: | 0.6 |
| Use default number of inputs to consider per split | <input type="checkbox"/> |
| Number of inputs to consider per split: | 7 |

12. Run the **Forest** node.

13. Open the results for the node.

14. Click the **Assessment** tab.

| Target ... | Data Role | Partitio... | Format... | Sum of ... | Averag... |
|------------|-----------|-------------|-----------|------------|-----------|
| churn | TRAIN | 1 | 1 | 39,590 | 0.0520 |
| churn | VALIDATE | 0 | 0 | 16,967 | 0.0593 |

The average squared error for the tuned forest model is 0.0593 on the VALIDATE partition. This fit statistic is a little bit worse than the first model by using the default settings.

15. Close the Results window.

16. Run the entire pipeline and view the results of model comparison.

| Champion | Name | Algorithm Name | KS (Yoden) | Misclassification Rate |
|----------|---------------------|---------------------|------------|------------------------|
| ☒ | Gradient Boosting | Gradient Boosting | 0.5836 | 0.0648 |
| | Forest | Forest | 0.5734 | 0.0700 |
| | Decision Tree | Decision Tree | 0.5480 | 0.0711 |
| | Logistic Regression | Logistic Regression | 0.5338 | 0.0815 |

The gradient boosting model is now the champion model of the pipeline, based on default KS. The forest is a close second-place model.

17. Close the Results window.

End of Demonstration



Practice

3. Building a Forest Model

- a. Build a forest using the Autotune feature. Add a Forest node to the Lesson 3 pipeline, below the Variable Selection node. Use the Autotune feature. Explore the settings that are available when **Autotune** is selected.
Note: This practice might take several minutes to run.
- b. What criteria were selected for the champion model?
 - Number of trees
 - Number of variables per split
 - Number of bins
 - Maximum number of branches
 - Maximum depth
- c. How does the autotuned forest compare to the other models in the pipeline, particularly to the forest model built during the demonstration? Consider the fit statistic average squared error for this comparison.

End of Practices

3.6 Solutions

Solutions to Practices

Note: Due to the distributed nature of the SAS Viya environment, results might not be reproducible. Your results and answers to the questions in the practices could be different from those provided below.

1. Building a Decision Tree

- a. Build a decision tree using the Autotune feature. Add a Decision Tree node to the Lesson 3 pipeline, below the Variable Selection node. Use the Autotune feature. Explore the settings that are made available when **Autotune** is selected.
 - 1) On the Starter Template pipeline, right-click the **Variable Selection** node and select **Add child node** \Rightarrow **Supervised Learning** \Rightarrow **Decision Tree**.
 - 2) In the properties pane, turn on the **Perform Autotuning** option. The default properties show starting values and ranges that are tried for each property in the decision tree model.
 - 3) Right-click the **Decision Tree** node and select **Run**. This process might take few minutes.
 - 4) When the execution is over, right-click the **Decision Tree** node and select **Results**.
 - 5) Examine the Results window. Maximize the Autotune Results window and notice the different evaluations performed. Restore the Autotune Results window.

| Autotune Results | | | | | |
|------------------|---------------------|----------------|-----------|---------------------|-----------------|
| Evaluation | Maximum Tree Lev... | Number of Bins | Criterion | Kolmogorov-Smirn... | Time in Seconds |
| 0 | 11 | 50 | GAIN | 0.5575 | 0.3632 |
| 47 | 17 | 32 | GAIN | 0.5622 | 0.9926 |
| 30 | 20 | 50 | GAIN | 0.5600 | 0.6210 |
| 52 | 16 | 50 | GAIN | 0.5600 | 0.9033 |
| 10 | 11 | 50 | GAIN | 0.5575 | 0.0000 |
| 48 | 15 | 111 | GAIN | 0.5555 | 1.0277 |
| 49 | 16 | 20 | GINI | 0.5554 | 0.8924 |
| 50 | 20 | 20 | GINI | 0.5554 | 1.1285 |
| 23 | 15 | 144 | GAIN | 0.5543 | 1.6067 |
| 41 | 20 | 20 | GAIN | 0.5539 | 1.1484 |
| 43 | 20 | 140 | GAIN | 0.5537 | 0.8141 |

- 6) Scroll down and maximize the Output window. This output shows the set of parameters selected for the final decision tree model.

| The SAS System | |
|---------------------------------|---------------|
| The TREESPLIT Procedure | |
| Model Information | |
| Split Criterion | GAIN |
| Pruning Method | Reduced Error |
| Max Branches per Node | 2 |
| Max Tree Depth | 16 |
| Tree Depth Before Pruning | 16 |
| Tree Depth After Pruning | 13 |
| Number of Leaves Before Pruning | 683 |
| Number of Leaves After Pruning | 115 |

- 7) Click the **Assessment** tab. Scroll down and observe the Fit Statistics window. The average squared error for the Autotune model is 0.0617 on the VALIDATE partition.

| Target ... | Data Role | Partitio... | Formatt... | Sum of ... | Averag... |
|------------|-----------|-------------|------------|------------|-----------|
| churn | TRAIN | 1 | 1 | 39,590 | 0.0570 |
| churn | VALIDATE | 0 | 0 | 16,967 | 0.0617 |

- b. What criteria were selected for the champion model?
 - Split criteria: **Gain**
 - Pruning method: **Reduced Error**
 - Maximum number of branches: **2**
 - Maximum tree depth: **16**
- c. How does the autotuned decision tree compare to the other models in the pipeline, particularly to the decision tree model built during the demonstration? Consider the fit statistics average squared error for this comparison.

It performed better than the decision tree built during the demonstration.

2. Building a Gradient Boosting Model

- a. Build a gradient boosting model using the Autotune feature. Add a Gradient Boosting node to the Lesson 3 pipeline, below the Variable Selection node. Use the Autotune feature. Explore the settings that are made available when **Autotune** is selected.
 - 1) On the Starter Template pipeline, right-click the **Variable Selection** node and select **Add child node** \Rightarrow **Supervised Learning** \Rightarrow **Gradient Boosting**.
 - 2) In the properties pane, turn on the **Perform Autotuning** option. The default properties show starting values and ranges that are tried for each property in the gradient boosting model.

- 3) Right-click the **Gradient Boosting** node and select **Run**. This process might take few minutes.
- 4) When the execution is over, right-click the **Gradient Boosting** node and select **Results**.
- 5) Examine the Results window. Maximize the Autotune Results window and notice the different evaluations performed. Restore the Autotune Results window.

| Autotune Results | | | | | | | | | | |
|------------------|---------------------|---------------|---------------|--------|--------|----------------|-------------------|------------------|-----------------|--|
| Evaluation | Number of Variab... | Learning Rate | Sampling Rate | Lasso | Ridge | Number of Bins | Maximum Tree L... | Kolmogorov-Sm... | Time in Seconds | |
| 0 | 14 | 0.1000 | 0.5000 | 0 | 1 | 50 | 5 | 0.5731 | 3.3451 | |
| 62 | 4 | 0.1200 | 1 | 6.6667 | 0 | 56 | 7 | 0.5836 | 15.8679 | |
| 60 | 4 | 0.1200 | 1 | 10 | 2.2222 | 56 | 7 | 0.5822 | 13.8738 | |
| 44 | 4 | 0.1200 | 1 | 6.6667 | 2.2222 | 56 | 7 | 0.5821 | 10.8326 | |
| 63 | 4 | 0.1200 | 1 | 6.6667 | 2.2222 | 96 | 7 | 0.5815 | 12.7298 | |
| 43 | 4 | 0.1200 | 1 | 6.6667 | 2.2222 | 96 | 6 | 0.5813 | 20.9321 | |
| 58 | 4 | 0.1200 | 1 | 1.6667 | 2.2222 | 56 | 7 | 0.5810 | 15.0936 | |
| 9 | 4 | 0.1200 | 1 | 6.6667 | 2.2222 | 56 | 6 | 0.5803 | 11.4521 | |
| 41 | 4 | 0.1200 | 1 | 6.6667 | 7.2222 | 56 | 6 | 0.5797 | 14.6518 | |
| 66 | 11 | 0.1200 | 1 | 6.6667 | 2.2222 | 56 | 7 | 0.5797 | 14.7518 | |
| 57 | 4 | 0.1200 | 0.5500 | 6.6667 | 2.2222 | 56 | 7 | 0.5789 | 20.5446 | |

- 6) Scroll down and maximize the Output window. This output shows the set of parameters selected for the final gradient boosting model.

| The SAS System | |
|-------------------------------------|------------|
| The GRADBOOST Procedure | |
| Model Information | |
| Number of Trees | 150 |
| Learning Rate | 0.12 |
| Subsampling Rate | 1 |
| Number of Variables Per Split | 4 |
| Number of Bins | 56 |
| Number of Input Variables | 14 |
| Maximum Number of Tree Nodes | 109 |
| Minimum Number of Tree Nodes | 37 |
| Maximum Number of Branches | 2 |
| Minimum Number of Branches | 2 |
| Maximum Depth | 6 |
| Minimum Depth | 6 |
| Maximum Number of Leaves | 55 |
| Minimum Number of Leaves | 19 |
| Maximum Leaf Size | 26605 |
| Minimum Leaf Size | 5 |
| Seed | 12345 |
| Lasso (L1) penalty | 6.66666667 |
| Ridge (L2) penalty | 0 |
| Actual Number of Trees | 92 |
| Average Number of Leaves | 41.3586957 |
| Early stopping stagnation | 5 |
| Early stopping threshold | 0 |
| Early stopping threshold iterations | 0 |
| Early stopping tolerance | 0 |

- 7) Click the **Assessment** tab. Scroll down and observe the Fit Statistics window. The average squared error for the Autotune model is 0.0574 on the VALIDATE partition.

| Target ... | Data Role | Partitio... | Format... | Sum of ... | Averag... |
|------------|-----------|-------------|-----------|------------|-----------|
| churn | TRAIN | 1 | 1 | 39,590 | 0.0522 |
| churn | VALIDATE | 0 | 0 | 16,967 | 0.0574 |

- b. What criteria were selected for the champion model?
 - Number of trees: **150**
 - Number of variables per split: **4**
 - Number of bins: **56**
 - Maximum number of branches: **2**
 - Maximum depth: **6**
- c. How does the autotuned gradient boosting compare to the other models in the pipeline, particularly to the gradient boosting model built during the demonstration? Consider the fit statistic average squared error for this comparison.

The gradient boosting model built earlier in the lesson demonstration performed better on average squared error than the autotuned model. However, the autotuned model performed better than the remaining models in the model comparison window.

3. Building a Forest Model

- a. Build a forest using the Autotune feature. Add a Forest node to the Lesson 3 pipeline, below the Variable Selection node. Use the Autotune feature. Explore the settings that are available when **Autotune** is selected.
 - 1) On the Starter Template pipeline, right-click the **Variable Selection** node and select **Add child node** \Rightarrow **Supervised Learning** \Rightarrow **Forest**.
 - 2) In the properties pane, turn on the **Perform Autotuning** option. The default properties show starting values and ranges that are tried for each property in the Forest model.
 - 3) Right-click the **Forest** node and select **Run**. This process might take few minutes.
 - 4) When the execution is over, right-click the **Forest** node and select **Results**.
 - 5) Examine the Results window. Maximize the Autotune Results window and notice the different evaluations performed. Restore the Autotune Results window.

| Autotune Results | | | | | | | |
|------------------|-----------------|--------------------------|-----------|---------------------|----------------|------------------------|-----------------|
| Evaluation | Number of Trees | Number of Variables t... | Bootstrap | Maximum Tree Levels | Number of Bins | Kolmogorov-Smirnov ... | Time in Seconds |
| 0 | 100 | 14 | 0.6000 | 21 | 50 | 0.5629 | 10.0538 |
| 50 | 78 | 2 | 0.7222 | 30 | 73 | 0.5816 | 22.9087 |
| 52 | 78 | 5 | 0.7222 | 30 | 93 | 0.5775 | 32.3288 |
| 6 | 78 | 5 | 0.7222 | 30 | 73 | 0.5768 | 26.7782 |
| 53 | 78 | 5 | 0.7222 | 30 | 53 | 0.5761 | 27.4896 |
| 43 | 81 | 5 | 0.7141 | 30 | 76 | 0.5761 | 27.4047 |
| 22 | 71 | 3 | 0.3275 | 30 | 35 | 0.5761 | 13.9376 |
| 38 | 143 | 5 | 0.7222 | 30 | 73 | 0.5758 | 32.5197 |
| 25 | 86 | 3 | 0.4181 | 30 | 20 | 0.5754 | 18.1385 |
| 33 | 78 | 5 | 0.9000 | 30 | 73 | 0.5754 | 31.3030 |
| 49 | 78 | 5 | 0.7222 | 23 | 73 | 0.5754 | 20.5203 |

- 6) Scroll down and maximize the Output window. This output shows the set of parameters selected for the final forest model.

| The SAS System | |
|-------------------------------|------------|
| The FOREST Procedure | |
| Model Information | |
| Number of Trees | 78 |
| Number of Variables Per Split | 2 |
| Seed | 12345 |
| Bootstrap Percentage | 72.222222 |
| Number of Bins | 73 |
| Number of Input Variables | 14 |
| Maximum Number of Tree Nodes | 2217 |
| Minimum Number of Tree Nodes | 1119 |
| Maximum Number of Branches | 2 |
| Minimum Number of Branches | 2 |
| Maximum Depth | 29 |
| Minimum Depth | 29 |
| Maximum Number of Leaves | 1109 |
| Minimum Number of Leaves | 560 |
| Maximum Leaf Size | 11243 |
| Minimum Leaf Size | 5 |
| OOB Misclassification Rate | 0.06486486 |
| Average Number of Leaves | 849.653846 |

- 7) Click the **Assessment** tab. Scroll down and observe the Fit Statistics window. The average squared error for the Autotune model is 0.0595 on the VALIDATE partition.

| Target ... | Data Role | Partitio... | Format... | Sum of ... | Averag... |
|------------|-----------|-------------|-----------|------------|-----------|
| churn | TRAIN | 1 | 1 | 39,590 | 0.0491 |
| churn | VALIDATE | 0 | 0 | 16,967 | 0.0595 |

- b. What criteria were selected for the champion model?

- Number of trees: **78**
- Number of variables per split: **2**
- Number of bins: **73**
- Maximum number of branches: **2**
- Maximum depth: **29**

- c. How does the autotuned forest compare to the other models in the pipeline, particularly to the forest model built during the demonstration? Consider the fit statistic average squared error for this comparison.

The forest built in the lesson demonstration performs slightly better than the autotuned forest based on average squared error (but not on some other fits statistics, such as KS). Although the autotuned forest performed better than the decision tree and logistic regression models, it did not outperform the gradient boosting models (based on average squared error.)

End of Solutions

Solutions to Activities and Questions

3.01 Multiple Choice Question – Correct Answer

Which of the following statements is true regarding decision trees?

- a. To predict cases, decision trees use rules that involve the values or categories of the input variables.
- b. Decision trees can handle only categorical targets.
- c. The predictor variables can appear only in a single split in the tree.
- d. The splits in decision trees can be only binary.

3.02 Multiple Choice Question – Correct Answer

Which of the following statements is true regarding decision trees?

- a. The recursive partitioning used to construct decision trees leads them to being uninterpretable.
- b. The optimal split for the next input considered is the one that minimizes the logworth function for that input.
- c. The maximal decision tree is usually the one used to score new data.
- d. The logworth of a split can sometimes be negative.

3.03 Multiple Choice Question – Correct Answer

Which of the following statements is true regarding decision trees?

- a. A well-fit tree has low bias and high variance.
- b. Accuracy is obtained by multiplying the proportion of observations falling into each leaf by the proportion of those correctly classified in the leaf and then summing across all leaves.
- c. In bottom-up pruning, the subtree with the best performance on training data is selected.
- d. Top-down pruning is usually slower but is considered more effective than bottom-up pruning.

3.04 Multiple Choice Question – Correct Answer

Which of the following statements is true regarding tree-based models?

- a. Small changes in the training data can cause large changes in the topology of a tree.
- b. Ensemble models are used only with decision trees.
- c. In the boosting algorithm, cases that are correctly classified are given more weight in subsequent models.
- d. In the bagging algorithm, the training data is resampled without replacement.

Lesson 4 Neural Networks

| | |
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4.1 Introduction

Essential Discovery Tasks



- Select an algorithm.
- Improve the model.
- Optimize complexity of the model.
- Regularize and tune hyperparameters of the model.

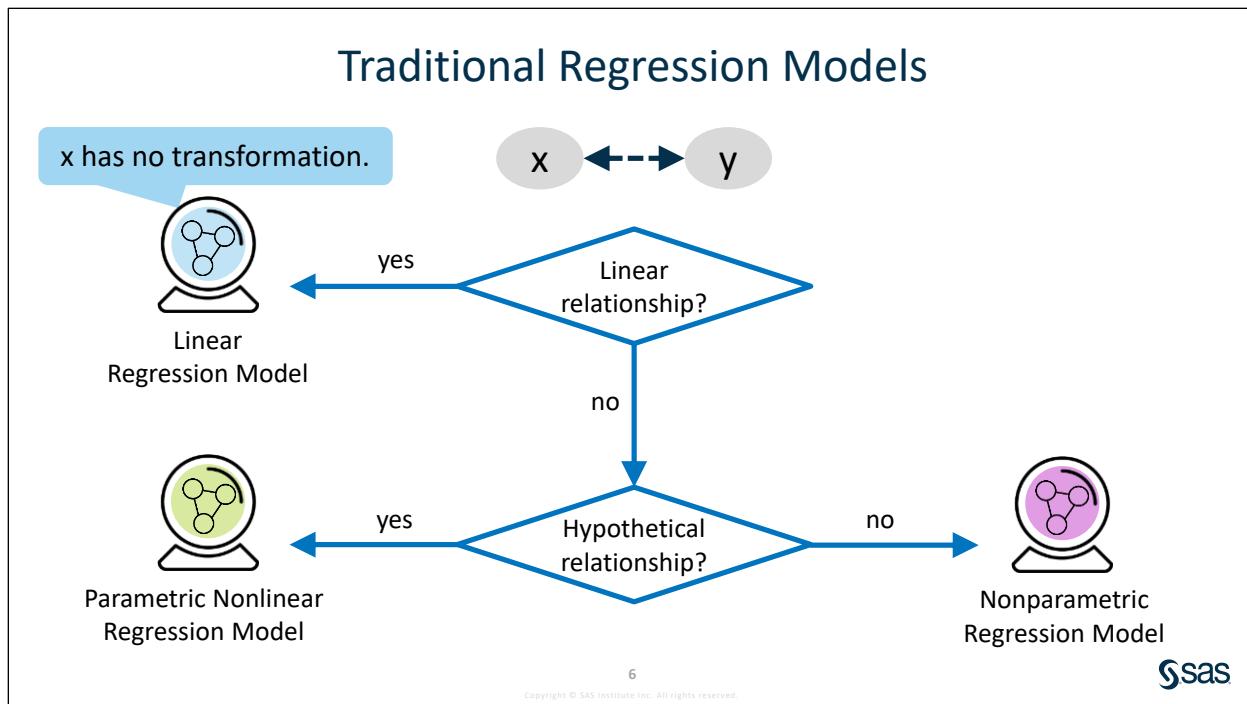
3

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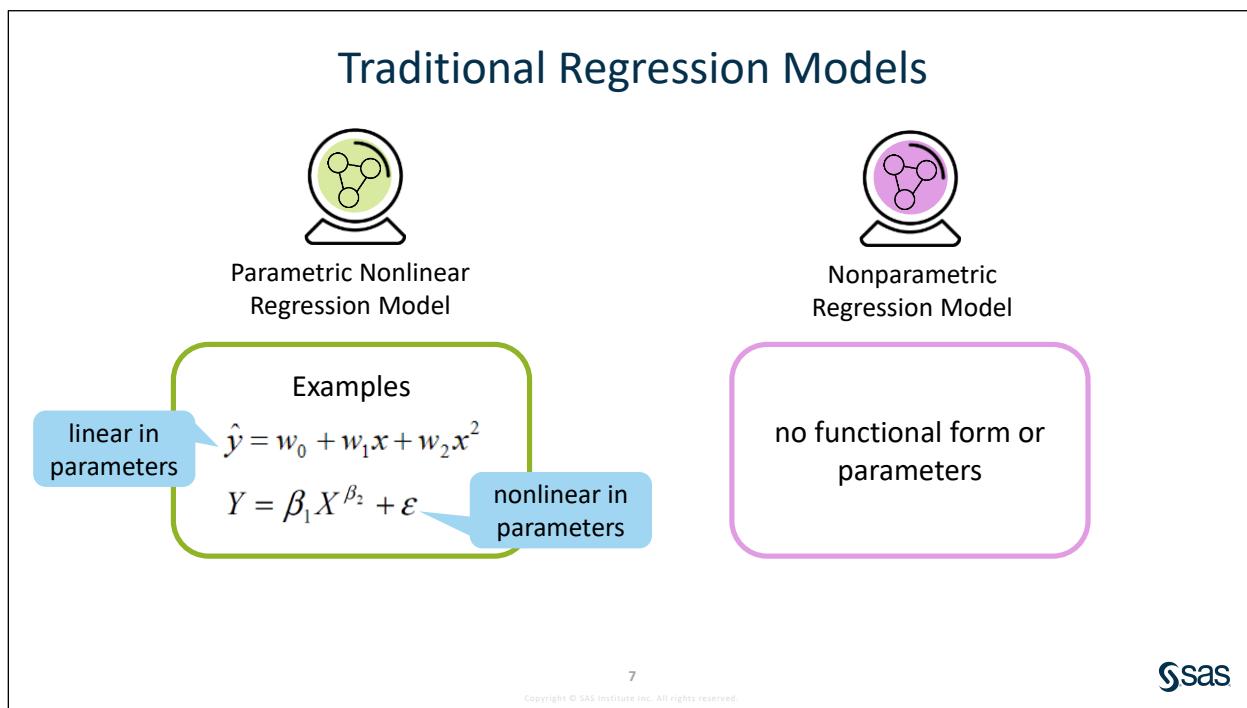
The discovery phase of the analytic life cycle continues. We are now ready to use other machine learning algorithms to build predictive models. In the previous lesson, we created and refined decision tree and tree-based models. Now we continue the experimentation with different types of approaches by building neural network models.

Neural networks are a computational tool based on an analogy to the structure and operation of the human brain. They provide a flexible way of approximating highly nonlinear relationships between variables without the need to make a priori assumptions about the form of the relationships.



To understand the flexibility of neural networks, let's first look at the advantages and disadvantages of more traditional regression models, including nonlinear models. When an input variable x has a linear relationship with a target y , x appears in the model with no transformation. If the relationship is nonlinear, but you can specify a hypothetical relationship between x and y , you can build a parametric nonlinear regression model.

When it is not practical to specify the hypothetical relationship, you can build a nonparametric regression model.



Assuming that the functional form (that is, the equation) defining the nonlinear relationship between y and x is known *a priori*, and that only the parameters are unknown, then the parameters can be estimated using a technique known as *nonlinear regression* (Seber and Wild 1989).

Note: If the nonlinear equation is *not* known, one option is to assume that the input-output relationship takes on some hypothesized functional form. A popular choice is a polynomial. A single input, x , polynomial of degree d is given by the equation:

$$\hat{y} = w_0 + w_1 x + w_2 x^2 + \dots + w_d x^d = w_0 + \sum_{k=1}^d w_k x^k$$

One reason for the polynomial's popularity is the *Weierstrass approximation theorem*. The theorem asserts that any continuous-valued function on a real interval $[a:b]$, can be approximated arbitrarily closely by a polynomial function. This means that a linear regression model using polynomials of sufficient complexity is actually a universal approximator.

Nonlinear regression models are more difficult to estimate than linear models. Not only must you specify the full nonlinear regression expression to be modeled, an optimization method must be used to efficiently guide the parameter search process. You must also provide initial parameter estimates. The value of these initial parameter estimates is critical. Starting at a bad location in the parameter space results in an inferior solution or, perhaps, even failure to achieve convergence at all.

A nonparametric regression model has no functional form and, therefore, no parameters.

Limitations of Traditional Regression Models



Parametric Nonlinear
Regression Model

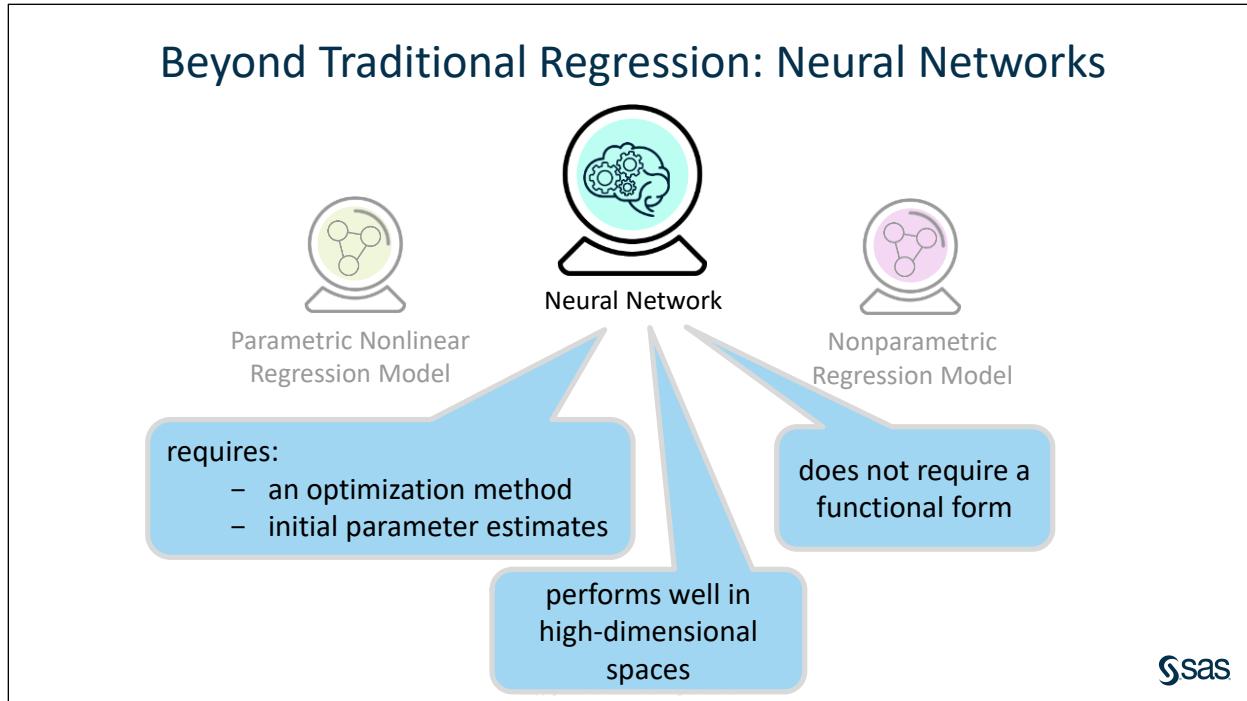


Nonparametric
Regression Model

- more difficult to estimate
- requires:
 - functional form
 - an optimization method
 - good parameter estimates
- curse of dimensionality

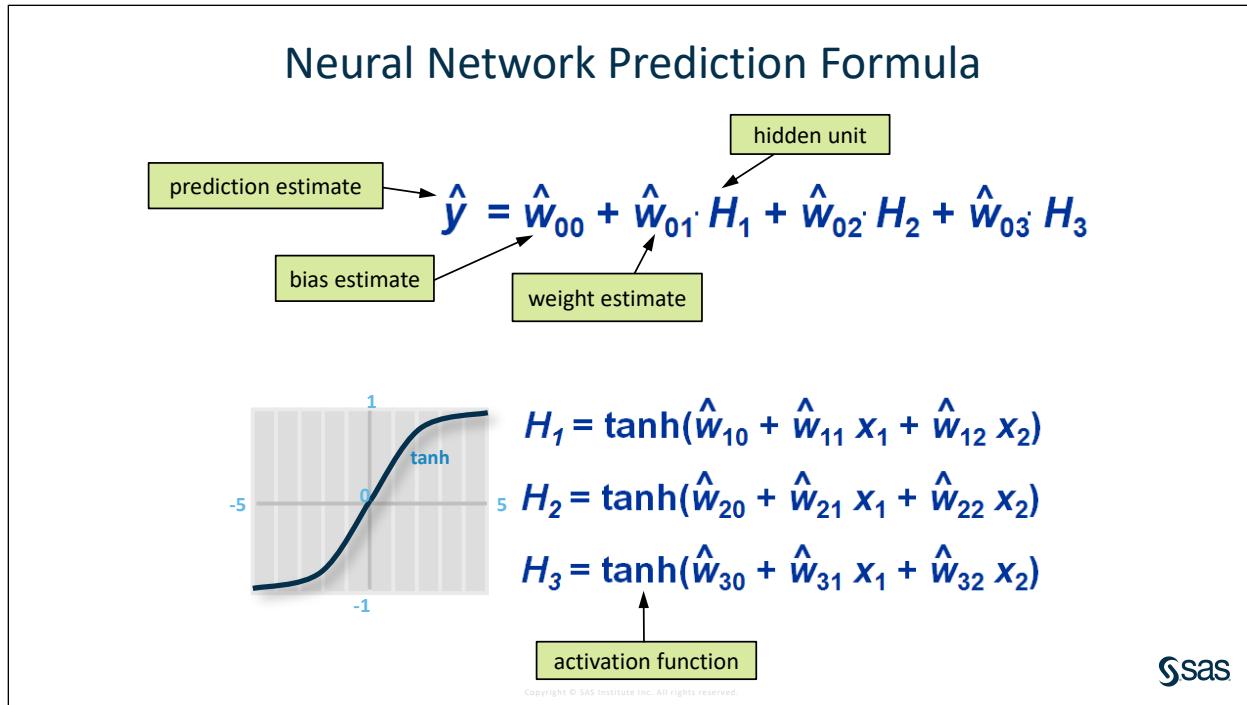
Traditional nonlinear regression models, which are parametric, and nonparametric regression models have several limitations. Nonlinear regression models are more difficult to estimate than linear models. In addition to specifying the functional form, it is necessary to use an optimization method to efficiently guide the parameter search process. It is essential for the optimization process to start with good parameter estimates. Starting at bad locations in the parameter space results in an inferior model.

Traditional nonlinear modeling techniques become vastly more difficult as the number of inputs increase. Remember that this is called *the curse of dimensionality*. It is uncommon to see parametric nonlinear regression models with more than a few inputs, because deriving a suitable functional form becomes increasingly difficult as the number of inputs increases. Higher-dimension input spaces are also a challenge for nonparametric regression models.



Neural networks were developed to overcome these challenges. Although neural networks are parametric nonlinear models, they are similar to nonparametric models in one way: neural networks do not require the functional form to be specified. This enables you to construct models when the relationship between the inputs and outputs is unknown.

However, like other parametric nonlinear models, neural networks do require the use of an optimization process with initial parameter estimates. Also, unlike nonlinear parametric regression models and nonparametric regression models, neural networks generally perform well in sparse, high-dimensional spaces.



With its exotic-sounding name, a neural network model (formally, for the models discussed in this course, *multilayer perceptrons*) is often regarded as a mysterious and powerful predictive tool. Perhaps surprisingly, the most typical form of the model is, in fact, a natural extension of a regression model.

The prediction formula used to predict new cases is similar to a regression's, but with an interesting and flexible addition. This addition enables a properly trained neural network to model virtually any association between input and target variables. However, flexibility comes at a price because the problem of input selection is not easily addressed by a neural network. The inability to select inputs is offset (somewhat) by a complexity optimization method named *stopped training*. Stopped training can reduce the chances of overfitting, even in the presence of redundant and irrelevant inputs.

Like regressions, neural networks predict cases using a mathematical equation involving the values of the input variables.

A neural network can be thought of as a regression model on a set of derived inputs, called *hidden units*. In turn, the hidden units can be thought of as regressions on the original inputs. The hidden unit "regressions" include a default link function (in neural network language, an *activation function*), the hyperbolic tangent. The hyperbolic tangent is a shift and rescaling of the logistic function.

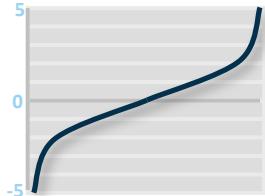
Because of a neural network's biological roots, its components receive different names from corresponding components of a regression model. Instead of an intercept estimate, a neural network has a *bias estimate*. Instead of parameter estimates, a neural network has *weight estimates*.

What makes neural networks interesting is their ability to approximate virtually any continuous association between the inputs and the target. You simply specify the correct number of hidden units and find reasonable values for the weights. Specifying the correct number of hidden units involves some trial and error. Finding reasonable values for the weights is done by least squares estimation (for interval-valued targets).

Neural Network Binary Prediction Formula

$$\log\left(\frac{\hat{p}}{1-\hat{p}}\right) = \hat{w}_{00} + \hat{w}_{01} H_1 + \hat{w}_{02} H_2 + \hat{w}_{03} H_3$$

logit
link function



$$H_1 = \tanh(\hat{w}_{10} + \hat{w}_{11} x_1 + \hat{w}_{12} x_2)$$

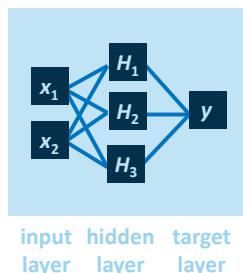
$$H_2 = \tanh(\hat{w}_{20} + \hat{w}_{21} x_1 + \hat{w}_{22} x_2)$$

$$H_3 = \tanh(\hat{w}_{30} + \hat{w}_{31} x_1 + \hat{w}_{32} x_2)$$

When the target variable is binary, as in the demonstration data, the main neural network regression equation receives the same logit link function featured in logistic regression. As with logistic regression, the weight estimation process changes from least squares to maximum likelihood.

Neural Network Diagram

$$\log\left(\frac{\hat{p}}{1-\hat{p}}\right) = \hat{w}_{00} + \hat{w}_{01} H_1 + \hat{w}_{02} H_2 + \hat{w}_{03} H_3$$



$$H_1 = \tanh(\hat{w}_{10} + \hat{w}_{11} x_1 + \hat{w}_{12} x_2)$$

$$H_2 = \tanh(\hat{w}_{20} + \hat{w}_{21} x_1 + \hat{w}_{22} x_2)$$

$$H_3 = \tanh(\hat{w}_{30} + \hat{w}_{31} x_1 + \hat{w}_{32} x_2)$$

Multilayer perceptron models were originally inspired by neurophysiology and the interconnections between neurons, and they are often represented by a network diagram instead of an equation. The basic model form arranges neurons in layers. The first layer, called the *input layer*, connects to a layer of neurons called a *hidden layer*, which, in turn, connects to a final layer called the *target* or *output layer*. Each element in the diagram has a counterpart in the network equation. The blocks in the diagram correspond to inputs, hidden units, and target variables. The block interconnections correspond to the network equation weights.

Prediction Illustration: Neural Networks

1. Standardize (scale) the input variables.

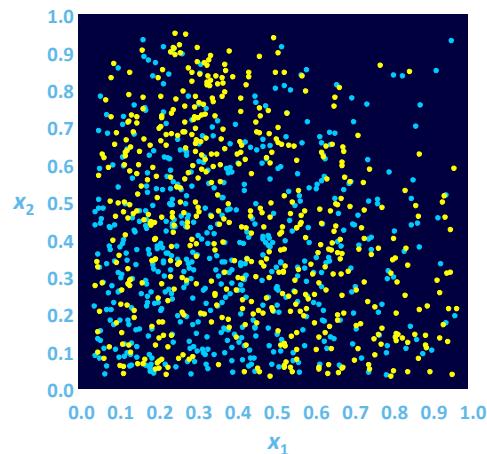
logit equation

$$\text{logit}(\hat{p}) = \hat{w}_{00} + \hat{w}_{01} H_1 + \hat{w}_{02} H_2 + \hat{w}_{03} H_3$$

$$H_1 = \tanh(\hat{w}_{10} + \hat{w}_{11} x_1 + \hat{w}_{12} x_2)$$

$$H_2 = \tanh(\hat{w}_{20} + \hat{w}_{21} x_1 + \hat{w}_{22} x_2)$$

$$H_3 = \tanh(\hat{w}_{30} + \hat{w}_{31} x_1 + \hat{w}_{32} x_2)$$



To demonstrate the properties of a neural network model, consider again the two-color prediction problem. As always, the goal is to predict the target color based on the location in the unit square. As with regressions, the predictions can be decisions, rankings, or estimates. The logit equation produces a ranking or logit score.

Among the best practices for training a neural network is to standardize your data to obtain a mean close to 0. It is more important when variable scales differ significantly. Model stability and parameter estimate precision are influenced during multivariate analysis when multi-scaled variables are used. For example, in boundary detection, a variable that ranges between 0 and 100 outweighs a variable that ranges between 0 and 1. Using variables without standardization can give variables with larger ranges greater importance in the analysis. Transforming the data to comparable scales can prevent this problem.

Standardizing continuous predictor variables in neural network generally speeds up learning and leads to faster convergence.

Standardization Methods

Midrange

- $midrange = \frac{(Max+Min)}{2}$
- $x_{midrange} = \frac{(x-midrange)}{range/2}$
- Midrange is 0. Half range is 1.
- Ranges from -1 to 1.

Z-Score

- $\mu = 0$ and $\sigma = 1$
- $x_{std} = z = \frac{x-\mu}{\sigma}$

Standardization can be defined for hidden and target layers.

Standardizing features of continuous predictor variables in neural network is extremely important because certain features might be given more importance depending on their scale and variability.

Z-score standardization means to rescale your data to have a mean of zero and a standard deviation of 1. The value of a variable standardized in this way is sometimes called a *z-score* or a *standard score*. Here is the equation to standardize your data into a z-score:

$$x_{std} = z = \frac{x - \mu}{\sigma}$$

where x is the original value, μ is the variable's mean, and σ is the variable's standard deviation. The absolute value of z represents the distance between the raw score and the population mean in units of the standard deviation. z is negative when the original value is below the mean, positive when above.

Normalizing is another rescaling method with many meanings in statistics and statistical applications. Normalizing is also known as a *range standardization*. Most commonly, normalizing rescales numeric data between zero and 1 using the following equation:

$$x_{norm} = \frac{x - x_{min}}{x_{max} - x_{min}}$$

where x_{min} is the variable's minimum value, and x_{max} is the variable's maximum value.

Normalizing, or range standardization, is the basis for another type of standardization known as *midrange*. Midrange transforms a variable so that its range is -1 to 1 and its midrange value is 0. The midrange transformation formula is

$$x_{midrange} = \frac{(x - midrange)}{\frac{range}{2}}$$

where $range = X_{max} - X_{min}$ and $midrange = \frac{(Maximum+Minimum)}{2}$.

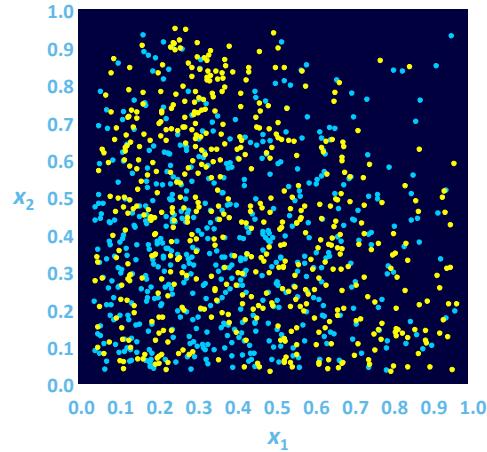
Model stability and parameter estimate precision are influenced during multivariate analysis when multi-scaled variables are used. For example, in boundary detection, a variable that ranges between 0 and 100 will outweigh a variable that ranges between 0 and 1. Using variables without standardization can give variables with larger ranges greater importance in the analysis. Transforming the data to comparable scales can prevent this problem.

Note: By default, the Neural Network node scales all input variables prior to the weight estimation step so that they have a midrange of zero, a minimum of -1, and a maximum of 1. This default standardization method is known as *midrange*. Other options for this property are Z score and no standardization (none). These settings are controlled by the **Input Standardization** property.

Prediction Illustration: Neural Networks

2. Find the weight estimates.

$$\begin{aligned}\text{logit}(\hat{p}) &= \hat{w}_{00} + \hat{w}_{01} H_1 + \hat{w}_{02} H_2 + \hat{w}_{03} H_3 \\ H_1 &= \tanh(\hat{w}_{10} + \hat{w}_{11} x_1 + \hat{w}_{12} x_2) \\ H_2 &= \tanh(\hat{w}_{20} + \hat{w}_{21} x_1 + \hat{w}_{22} x_2) \\ H_3 &= \tanh(\hat{w}_{30} + \hat{w}_{31} x_1 + \hat{w}_{32} x_2)\end{aligned}$$



As with a regression model, the primary task is to obtain parameter estimates – or, in the neural network case, weight estimates – that result in accurate predictions. However, a major difference between a neural network and a regression model is the number of values to be estimated and the complicated relationship between the weights.

Prediction Illustration: Neural Networks

2. Find the weight estimates.

$$\text{logit}(\hat{p}) = \hat{w}_{00} + \hat{w}_{01} H_1 + \hat{w}_{02} H_2 + \hat{w}_{03} H_3$$

$$H_1 = \tanh(\hat{w}_{10} + \hat{w}_{11} x_1 + \hat{w}_{12} x_2)$$

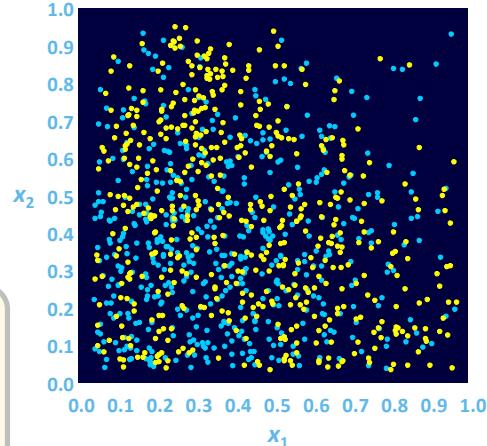
$$H_2 = \tanh(\hat{w}_{20} + \hat{w}_{21} x_1 + \hat{w}_{22} x_2)$$

$$H_3 = \tanh(\hat{w}_{30} + \hat{w}_{31} x_1 + \hat{w}_{32} x_2)$$

Binary Target

minimize

$$-2 \cdot [\sum_{\text{primary outcome training cases}} \log(\hat{p}_i) + \sum_{\text{secondary outcome training cases}} \log(1 - \hat{p}_i)]$$



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The primary task is to find the weight estimates that result in accurate predictions. Compared to a regression model, a neural network has a higher number of values to be estimated and the relationship among the weights is more complex. For a binary target, the weight estimation process is driven by an attempt to minimize the negative of two times the log-likelihood function. The log-likelihood function is the sum of the log of the primary outcome training cases plus the sum of the log of the secondary outcome training cases.

Unfortunately, with a neural network model, this minimization process has two complications. First, the minimization process might use a local minimum, which is a point that is smaller than the surrounding points, instead of the global minimum (which is the smallest point over all). Second, neural networks tend to create overfit models. A technique called *early stopping*, which is illustrated in the next section, (usually) overcomes these difficulties and produces a reasonable model.

Prediction Illustration: Neural Networks

3. Obtain a prediction.

$$\text{logit}(\hat{p}) = -0.5 + -2.6 H_1 + -1.9 H_2 + -0.63 H_3$$

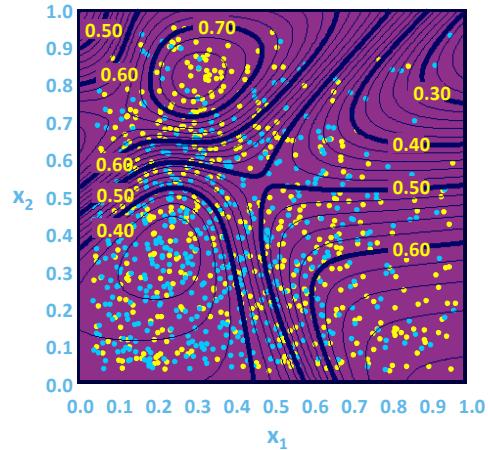
$$H_1 = \tanh(-1.8 + 0.25 x_1 + -1.8 x_2)$$

$$H_2 = \tanh(2.7 + 2.7 x_1 + -5.3 x_2)$$

$$H_3 = \tanh(-5.0 + 8.1 x_1 + 4.3 x_2)$$

Logistic Function

$$\hat{p} = \frac{1}{1 + e^{-\text{logit}(\hat{p})}}$$



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Even a relatively simple neural network with three hidden units permits elaborate associations between the inputs and the target. Although the model might be simple, explanation of the model is decidedly not. This lack of explicability is frequently cited as a major disadvantage of a neural network. Of course, complex input or target associations are difficult to explain no matter what technique is used to model them. Neural networks should not be faulted, assuming that they correctly modeled this association.

After the prediction formula is established, obtaining a prediction is strictly a matter of plugging the input measurements into the hidden unit expressions. In the same way as with regression models, you can obtain a prediction estimate using the logistic function.

Advantages and Disadvantages of Neural Networks



Neural Network



flexibility



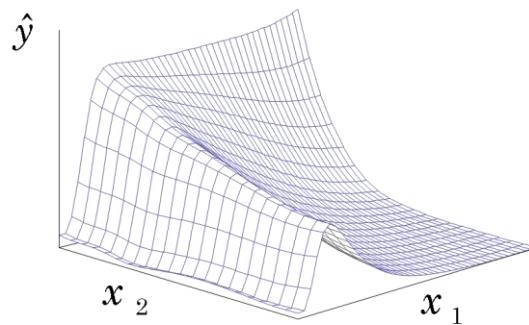
lack of interpretability

need for a strong signal

A major benefit of neural networks is their unlimited flexibility. A neural network is a universal approximator, which means that it can model any input-output relationship, no matter how complex. Neural networks overcome the main limitations of traditional regression methods, but they have a few limitations of their own: lack of interpretability and the need for a strong signal in the data.

Universal Approximator

Given enough neurons and time, a neural network can model any input/output relationship, to any degree of precision.



Although neural networks are parametric nonlinear regression models, they behave like nonparametric regression (smoothing splines), in that it is not necessary to specify the functional form of the model. This enables construction of models when the relationship between the inputs and outputs is unknown.

The chief benefit of neural networks is their unlimited flexibility. A neural network is a universal approximator, which means that, with a sufficient number of hidden units and enough time, a neural network can model any input-output relationship, no matter how complex. For example, this graph depicts the relationship between two inputs, x_1 and x_2 , and a target y . This complex relationship would be difficult to estimate accurately using traditional regression methods. However, a neural network can do the job.

The question of how many layers and, in particular, how many neurons are needed in each layer for a given modeling task is a very difficult one to answer. This issue is discussed later in the lesson.

Response to the Lack of Interpretability Objection

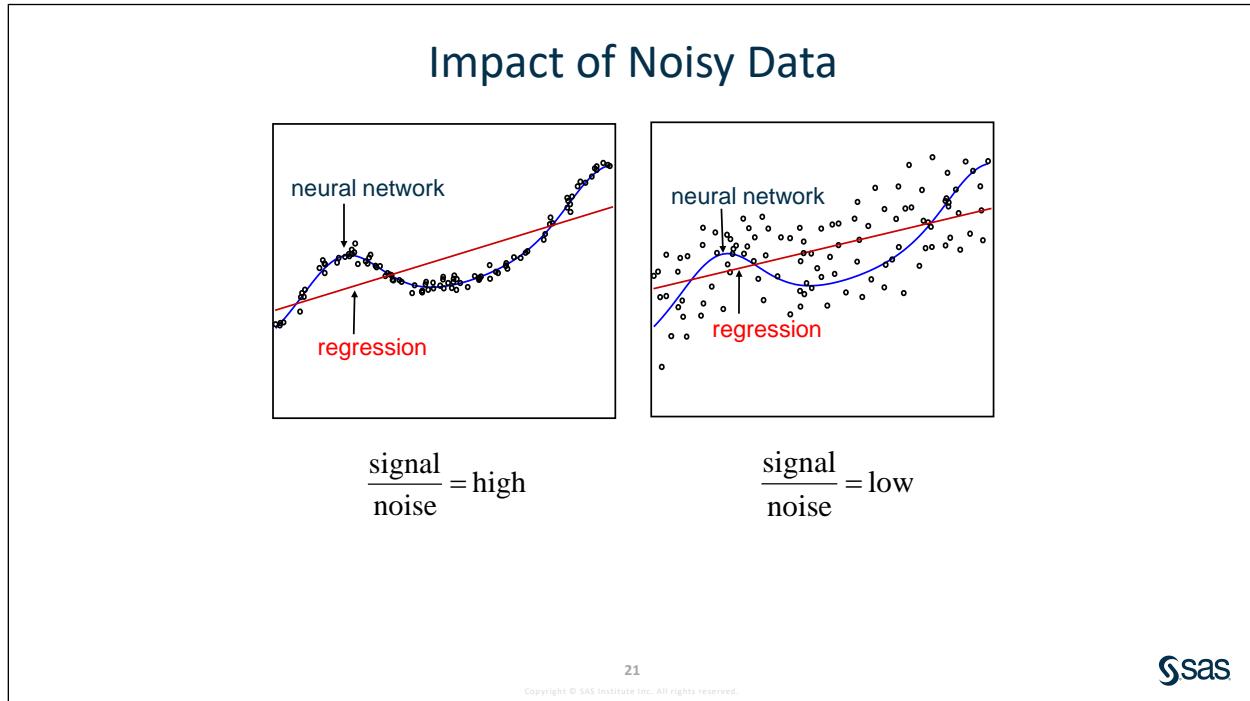
- This is the famous ***black-box objection***, often raised merely to disparage neural networks.
- There are two ways to respond to this objection:
 - by admitting that neural networks are most relevant to pure prediction tasks
 - by applying other modeling techniques, such as decision trees, to try to help “open” the black box
- SAS Visual Data Mining and Machine Learning provides several model interpretability plots that help interpret model results.

This is the famous black box objection to neural networks. Suggesting mystery, the term *black box* is often used simply to disparage neural networks by implying that they can never be interpreted.

There are two ways to respond to this criticism.

1. The first response is to recognize that, in many tasks, pure prediction is the goal. Understanding how the inputs affect the prediction is of secondary importance. In other applications, the opposite is true: Predictive power is a consideration only to the extent that it validates the interpretive power of the model. Neural networks are most appropriate for pure prediction tasks.
2. The second response is to show ways in which the black box has been “opened,” at least partially. Two approaches are direct weight examination through Hinton diagrams and input sensitivity assessment. A particularly interesting method of opening the black box is *decomposition* (Tsukimoto 2000), which contends that the weights in a neural network can be approximated by a set of IF-THEN rules. A related approach is to use a decision tree to interpret the neural network’s predictions.

SAS Visual Data Mining and Machine Learning provides model interpretability capabilities. Tools such as Variable Importance Rankings, Partial Dependence (PD) plots, Individual Conditional Expectation (ICE) plots, Local Interpretable Model-Agnostic Explanation (LIME), and Kernel Shapley values (Kernel SHAP) can help you better understand your model. These techniques are model agnostic, which means that these techniques can be applied to any model that is generated by a supervised learning node. These are discussed in Lesson 5.



Sometimes neural networks do not outperform simpler and easier-to-implement models like regression. This has led to disenchantment with the more complex neural networks. A possible explanation for this failure was suggested by David Shepard Associates (1999) in *The New Direct Marketing*:

“...if marketers think they can blindly use [neural networks] without the aid of an experienced statistician or an AI expert, they are making, in our opinion, a very serious mistake ...”

Not only is there a wide array of neural network architectures available today, the staggering number of options within any given architecture makes successful model construction less likely if the modeler is unfamiliar with the theoretical and practical implications of each option.

Another possible explanation for this disenchantment with the relative performance of neural networks in some situations is found in the signal-to-noise ratio.

To illustrate, in the left panel of the above diagram, the nonlinear model that is produced by the nonlinear neural network would clearly produce a superior fit to the data, as compared to the fit produced by the linear regression model. There is a strong pattern (signal) relative to the amount of variation (noise) around the pattern. The signal-to-noise ratio is high.

The situation in the right panel is different. The signal-to-noise ratio is low. The regression and neural network models will likely offer a comparable fit to the data. Therefore, Ockham's razor would imply that, in this case, there would be no advantage to using the more complex neural network.

Note: Ockham's razor states that "entities must not be multiplied beyond necessity." Thus, if competing hypotheses are equal in other respects, Ockham's razor recommends choosing the hypothesis with the fewest postulates. In short, the simplest hypothesis is usually the correct one.

4.01 Multiple Choice Question

Which of the following statements is true regarding neural networks?

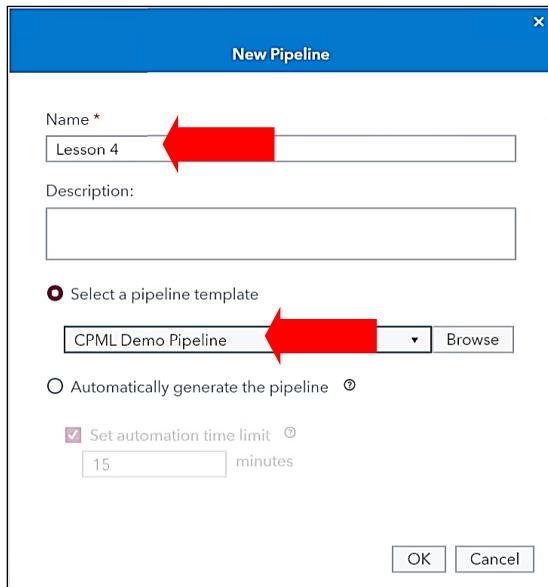
- a. Neural networks are one of the slowest scoring models.
- b. Neural networks cannot handle large volumes of data.
- c. Neural networks are most appropriate for pure prediction tasks.
- d. Neural networks perform well when the signal-to-noise ratio is low.



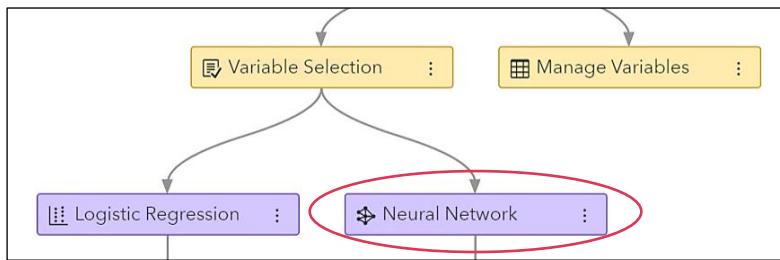
Building a Neural Network Model with Default Settings

In this demonstration, you create a new pipeline using the CPML Demo Pipeline and add a Neural Network node to it. You build the neural network model using the default settings of the node.

1. Click the plus sign (+) next to the Lesson 3 pipeline tab to add a new pipeline.
2. In the New Pipeline window, enter **Lesson 4** in the **Name** field, access the menu under the **Select a pipeline template** property, and select **CPML Demo Pipeline**.



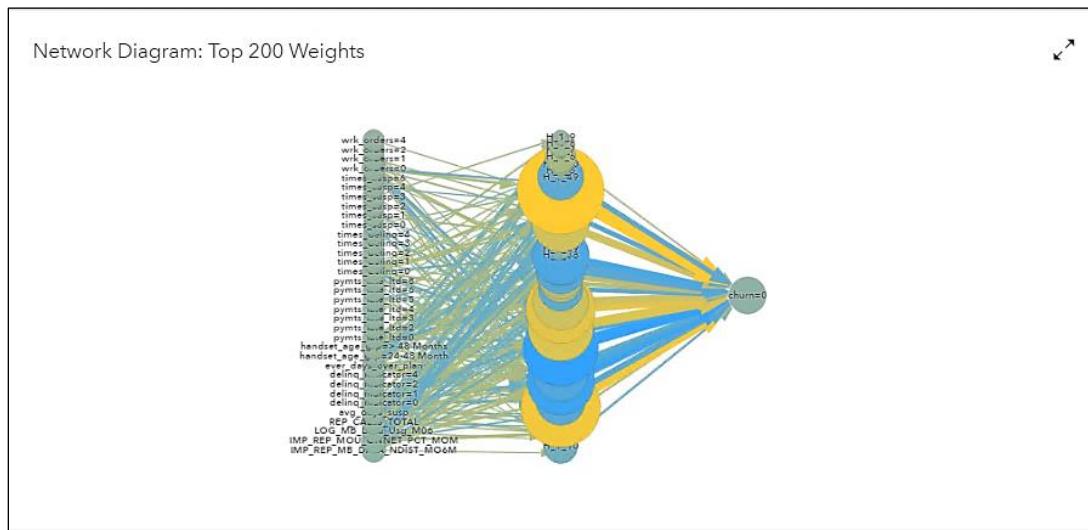
3. Click **OK**.
4. In the Lesson 4 pipeline, right-click the **Variable Selection** node and select **Add child node** \Rightarrow **Supervised Learning** \Rightarrow **Neural Network**.



5. Keep all properties for the neural network at their defaults.
6. Run the **Neural Network** node.

7. Open the results for the node.

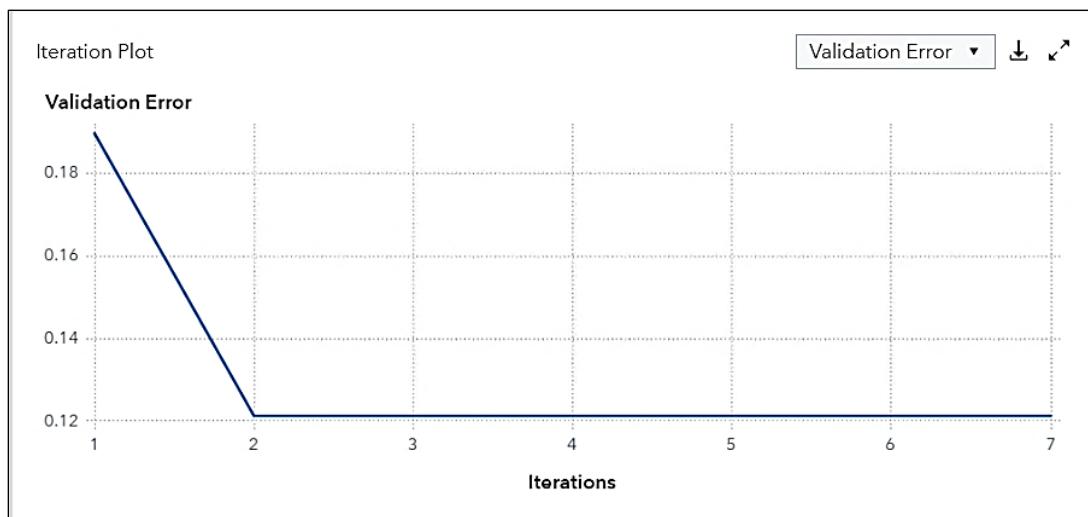
There are several charts and plots to help you evaluate the model's performance. The first plot is *Network Diagram: Top 200 Weights*, which presents the final neural network structure for this model, including the hidden layer and the hidden units.



Network Diagram: Top 200 Weights displays a diagram of the neural network when there are fewer than six hidden layers in the network. Only the links that correspond to the top 200 weights are displayed. You can interactively control the range of these weights to display.

The Network diagram displays the input nodes, hidden nodes, connections, and output nodes of a neural network. Nodes are represented as circles, and links between the nodes are lines connecting two circles. The size of the circle represents the magnitude of the absolute value of that node, relative to the model, and the color indicates whether that value is positive or negative. Similarly, the size of the line between two nodes indicates the strength of the link, and the color indicates whether that value is positive or negative.

The *Iteration plot* shows the model's performance based on the valid error throughout the training process when new iterations are added to achieve the final model.



The Iteration plot displays a line graph of the validation error, if reported, as a function of the epoch. To examine the loss or objective as a function of the epoch, use the drop-down menu in the upper right corner.

The *Node Score Code window* shows the final score code that can be deployed in production.

Node Score Code

```

1  length _strfmt_ $12; drop _strfmt_;
2  _strfmt_ = ' ';
3
4  array _tlevname_42189460_{2} $2 _temporary_ ( '1'
5    '0');
6
7  length I_churn $2;
8  array _node_val_42189460_{97} _temporary_;
9
10 _badval_ = 0;
11 _dropinput_ =
12 _drop_ =           1;
13
14 _numval_ = avg_days_susp;
15 if missing(_numval_) then do;

```

Similarly, the *Training Code window* shows the train code that can be used to train the model based on different data sets or in different platforms.

Training Code

```

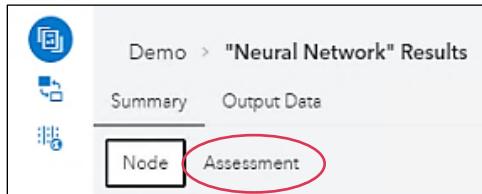
1  *-----*;
2  * Macro Variables for input, output data and files;
3  %let dm_datalib =;
4  %let dm_lib      = WORK;
5  %let dm_folder   = %sysfunc(pathname(work));
6  *-----*;
7  *-----*;
8  * Training for neural;
9  *-----*;
10 *-----*;
11 *-----*;
12 *-----*;
13 *-----*;
14 %macro dm_unary_input;
15 %mend dm_unary_input;
16 %global dm_num_unary_input;

```

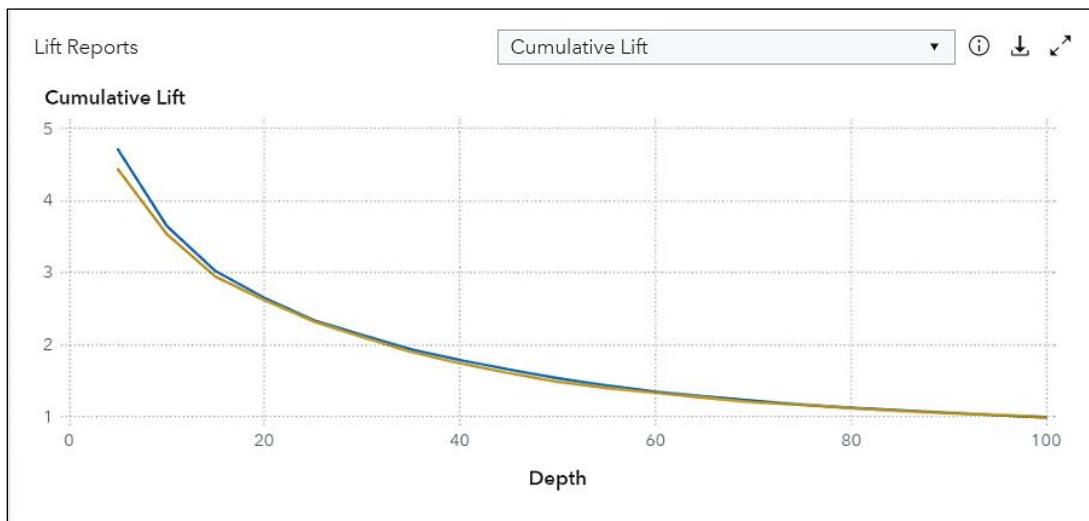
Finally, the *Output window* shows the final neural network model parameters, the iteration history, and the optimization process. (Only a portion of the information in the Output window is shown below.)

| The NNET Procedure | |
|---------------------------------------|--------------|
| Model Information | |
| Model | Neural Net |
| Number of Observations Used | 39590 |
| Number of Observations Read | 39590 |
| Target/Response Variable | churn |
| Number of Nodes | 97 |
| Number of Input Nodes | 45 |
| Number of Output Nodes | 2 |
| Number of Hidden Nodes | 50 |
| Number of Hidden Layers | 1 |
| Number of Weight Parameters | 2300 |
| Number of Bias Parameters | 52 |
| Architecture | MLP |
| Seed for Initial Weight | 12345 |
| Optimization Technique | LBFGS |
| Number of Neural Nets | 1 |
| Objective Value | 1.7563371218 |
| Misclassification Rate for Validation | 0.1213 |

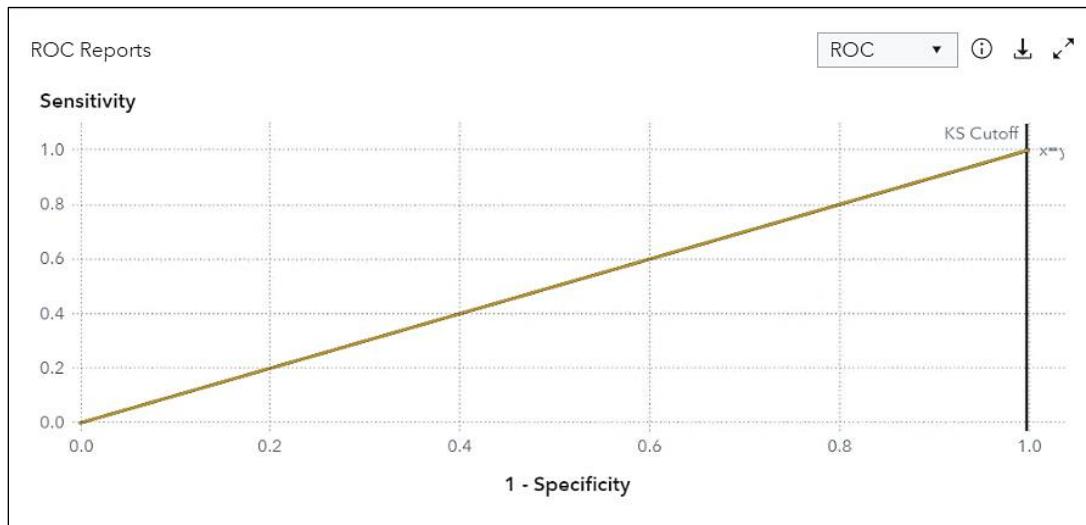
8. Click the **Assessment** tab.



The first chart is the *Lift Report*. By default, it displays the *Cumulative Lift* plot showing the model's performance ordered by the percentage of the population. This chart is very useful for selecting the model based on a particular target of the customer base. It shows how much better the model is than the random events. Other plots, such as for Lift, Gain, and Response Percentage (to name only a few), are available from a menu.



For a binary target, you also have the *ROC Reports*, which show the model's performance considering the true positive rate and the false positive rate. It is good to foresee the performance on a specific business events, when all positive cases are selected. It shows the model's performance based on the positive cases that were predicted right and the negative cases that were predicted wrong. Other plots, such as those for accuracy, are available from a menu.



Finally, you have the *Fit Statistics* table, which shows the model's performance based on some assessment measures such as average squared error. (Only a portion of the table is shown below. You might need to maximize the table to see these values.)

| Target ... | Data Role | Partitio... | Form... | Sum of ... | Averag... |
|------------|-----------|-------------|---------|------------|-----------|
| churn | TRAIN | 1 | 1 | 39,590 | 0.1237 |
| churn | VALIDATE | 0 | 0 | 16,967 | 0.1238 |

The fit statistics shows an average squared error of 0.1238 on the VALIDATE partition.

9. Close the Results window.

End of Demonstration

4.2 Network Architecture

Essential Discovery Tasks



- Select an algorithm.
- Improve the model.
- Optimize complexity of the model.
- Regularize and tune hyperparameters of the model.

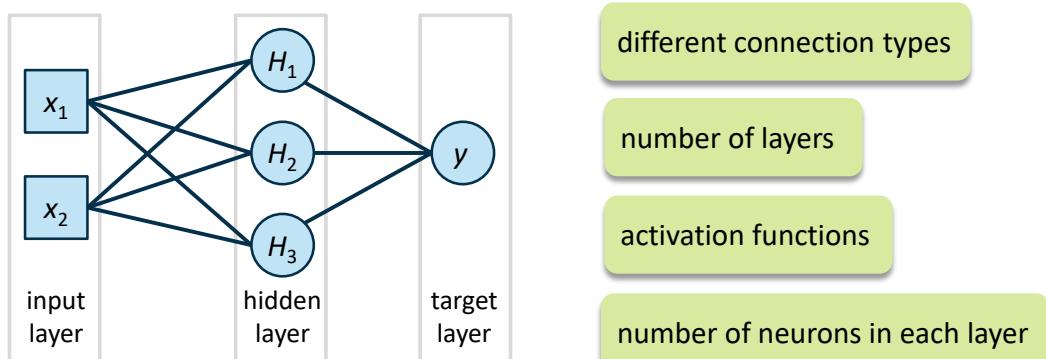
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One of the methods for improving neural network models is changing their architectures.

Network Architecture



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After building the neural network using the default settings, we move on to the next discovery task: improving the model. At this point, it is common to examine the neural network architecture. By modifying the architecture, you might be able to increase model flexibility and improve model performance.

Multilayer Perceptron

$$g^{-1}(\hat{y}) = w_0 + \sum_{i=1}^h w_i g_i \left(w_{0i} + \sum_{j=1}^d w_{ij} x_j \right)$$

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There are three layers in the basic multilayer perceptron (MLP) neural network:

1. An *input layer* contains a neuron/unit for each input variable. The input layer neurons have no adjustable parameters (weights). They simply pass the positive or negative input to the next layer.
2. A *hidden layer* has hidden units that (by default) perform a sigmoidal transformation of the weighted and summed input activations.
3. An *output layer* shapes and combines the nonlinear hidden layer activation values.

A single hidden-layer multilayer perceptron constructs a limited extent region, or *bump*, of large values surrounded by smaller values (Principe et al. 2000). For example, the intersection of the hyper-planes created by a hidden layer consisting of three hidden units forms a triangle-shaped bump.

The hidden and output layers **must** be connected by a nonlinear function in order to act as separate layers. Otherwise, the multilayer perceptron collapses into a linear perceptron. More formally, if matrix **A** is the set of weights that transforms input matrix **X** into the hidden layer output values, and matrix **B** is the set of weights that transforms the hidden unit output into the final estimates **Y**, then the linearly connected multilayer network can be represented as $\mathbf{Y}=\mathbf{B}[\mathbf{A}(\mathbf{X})]$. However, if a single-layer weight matrix **C**=**BA** is created, exactly the same output can be obtained from the single-layer network: $\mathbf{Y}=\mathbf{C}(\mathbf{X})$.

The number of parameters in an MLP with k interval inputs grows quickly with the number of hidden units, h , considered. The number of parameters is given by the equation $h(k+1)+h+1=h(k+2)+1$.

Note: The “number of parameters” equations in this lesson assume that the inputs are interval or ratio level. Each nominal or ordinal input increases k by the number of classes in the variable, minus 1.

Skip-Layer Perceptron

$$g^{-1}(\hat{y}) = w_0 + \sum_{i=1}^h w_i g_i \left(\underbrace{w_{0i} + \sum_{j=1}^d w_{ij} x_j}_{\text{hidden layer}} \right) + \underbrace{\sum_{k=1}^d w_{11k} x_k}_{\text{skip layer}}$$

The diagram illustrates a skip-layer perceptron architecture. It shows two input nodes, x_1 and x_d , connected to a single output node w_0 . There are two paths from the inputs to w_0 : one path passes through a hidden layer containing neurons w_{01} and w_{0n} , and another path goes directly from each input to w_0 . The weights for the hidden layer connections are labeled w_{11} , w_{1n} , w_{d1} , and w_{dn} . The weight for the direct connections is labeled w_1 . A callout bubble with a thumbs-up icon states: "can model nonstationarity like time series data". The SAS logo is in the bottom right corner.

By adding direct connections from the input to output layers, bypassing the hidden layer, it is possible to combine the linear and nonlinear neural network paradigms. The result is known as a *skip-layer network*.

Because a multilayer perceptron is already a universal approximator, in general there is little to be gained by adding direct connections. Adding direct connections does **not** make it any more universal. However, a multilayer perceptron is inherently stationary (Leisch et al. 1999). This means that it tends to perform poorly when applied to nonstationary data. In this case, adding direct connections can help.

The number of parameters in a skip-layer network with k inputs and h hidden units is $h(k+2)+k+1$.

In Model Studio, skip-layer perceptrons are constructed when the property **Allow direct connections between input and target neurons**, located on the Options tab, is selected.

MLP with Two Hidden Layers

$$g^{-1}(\hat{y}) = w_0 + \sum_{k=1}^{h_2} w_k g_k \left(w_{0k} + \sum_{j=1}^{h_1} w_{jk} g_j \left(w_{0jk} + \sum_{i=1}^d w_{ijk} x_i \right) \right)$$

nested hidden layers

can realize discontinuous input-output mappings

increases the number of weights

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As Sarle (1997) writes in his Neural Network FAQ, “If you have only one input, there seems to be no advantage to using more than one hidden layer. But things get much more complicated when there are two or more inputs.”

A neural network is a *universal approximator*, which means that it can model any continuous input-to-output relationships no matter how complex. Adding a second layer can model both continuous and discontinuous input-to-output relationships no matter how complex. You need at most two hidden layers to approximate any function!

When a second layer of hidden units is added, the single layer network’s bumps form disjoint regions (Principe et al. 2000). The number of neurons in the second hidden layer determines the number of bumps formed in the input space (Principe et al. 2000). Now approximations in different areas of the input space can be adjusted independently of each other. This gives an MLP with two hidden layers the ability to realize discontinuous input-output mappings.

Unfortunately, the number of parameters in a two-layer network grows very quickly. If there are h_1 and h_2 units in the first and second hidden layers respectively, and k (interval) inputs, the number of parameters is given by the following equation:

$$h_1(k+1) + h_2(h_1+1) + h_2 + 1$$

Details: More Than Two Hidden Layers and Deep Learning

You need at most two hidden layers to approximate any function (Cybenko 1988). In fact, with gradient-based learning methods, it has been found that when more than two hidden layers are used, learning often slows to a crawl. This is known as the *vanishing gradient problem*. This problem arises because the chain rule, used to update the hidden unit weights, has the effect of multiplying n small numbers to compute the gradients of the front layers in an n -layer network. The gradient therefore decreases exponentially with n .

The term *deep learning* refers to the numerous hidden layers used in a neural network. However, **the true essence of deep learning is the methods that enable the increased extraction of information** derived from a neural network with more than one hidden layer. Adding more hidden layers to a neural network would provide little benefit without deep learning methods that underpin the efficient extraction of information. SAS Viya provides the key elements that enable learning to persist in the presence of many hidden layers. These elements are listed below:

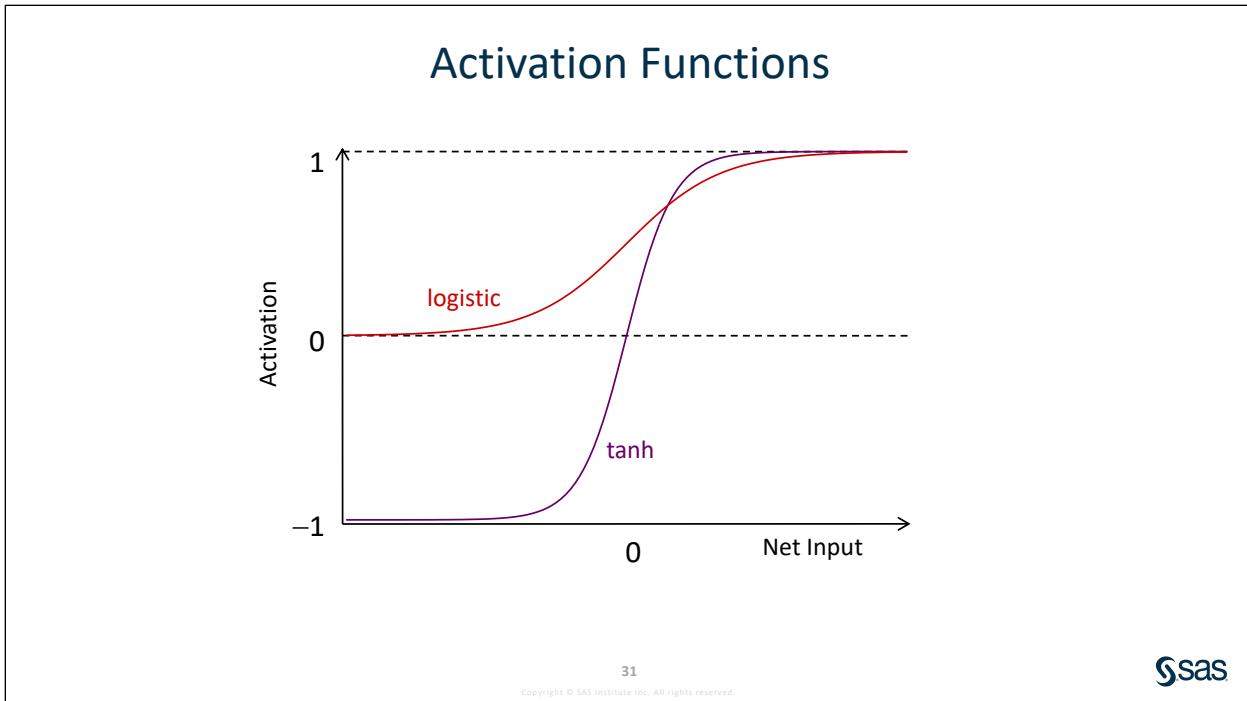
- activation functions that are more resistant to saturation than conventional activation functions
- weight initializations that consider the amount of incoming information
- new regularization techniques such as dropout and batch normalization
- fast moving gradient-based optimizations such as Stochastic Gradient Descent
- innovations in distributed computing

Note: *Neuron saturation* is when the output of an activation function results in a near-zero gradient (in other words, when the derivative is zero).

Needless to say, deep learning has shown impressive promise in solving problems that were previously considered infeasible to solve.

The process of deep learning is to formulate an outcome from engineering new glimpses of the input space, and then reengineering these engineered projections with the next hidden layer. This process is repeated for each hidden layer until the output layers are reached. The output layers reconcile the final layer of incoming hidden unit information to produce a set of outputs. The classic example of this process is facial recognition. The first hidden layer captures shades of the image. The next hidden layer combines the shades to formulate edges. The next hidden layer combines these edges to create projections of ears, mouths, noses, and other distinct aspects that define a human face. The next layer combines these distinct formulations to create a projection of a more complete human face. And so on.

The possible number of hidden layers in SAS Visual Data Mining and Machine Learning ranges from 0 to 10. The default is 1.



After the weighted inputs and the bias have been combined, the neuron's net input is passed through an activation function. The activation function is a mathematical "gate" in between the input feeding the current neuron and its output going to the next layer. It can be as simple as a step function that turns the neuron output on and off, depending on a rule or threshold.

Many of the defining hidden unit activation functions are members of the sigmoid family. The most famous member of the sigmoid family is the logistic function:

$$\text{logistic } (net) = \frac{1}{1 + e^{-net}} = \hat{p}, \text{ where } net = w_0 + \sum_{i=1}^d w_i x_i$$

The logistic activation function constrains its output to the range 0:1, making it an ideal for generating probability (\hat{p}) estimates. In statistics, the logistic function is better known as the *logit-link* function:

$$\text{logit } (\hat{p}) = \ln\left(\frac{\hat{p}}{1 - \hat{p}}\right) = \ln(\text{odds})$$

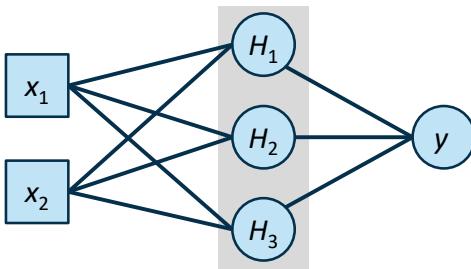
Although the logistic activation function was used in early neural network research, many other sigmoidal activation functions exist. One that plays a key role in the Neural Network node is the *hyperbolic tangent* (tanh). In fact, ***it is the default hidden unit activation function.***

$$\tanh(net) = \frac{e^{net} - e^{-net}}{e^{net} + e^{-net}}$$

The hyperbolic tangent ranges from -1 to 1. This means that the inflection point is at 0 rather than at 0.5, as it is in the logistic sigmoid. This offers a small advantage during network initialization.

Hidden Layer Activation Function

ability to model nonlinear relationships



$$\text{logit}(\hat{p}) = \hat{w}_{00} + \hat{w}_{01} H_1 + \hat{w}_{02} H_2 + \hat{w}_{03} H_3$$

$$H_1 = \tanh(\hat{w}_{10} + \hat{w}_{11} x_1 + \hat{w}_{12} x_2)$$

$$H_2 = \tanh(\hat{w}_{20} + \hat{w}_{21} x_1 + \hat{w}_{22} x_2)$$

$$H_3 = \tanh(\hat{w}_{30} + \hat{w}_{31} x_1 + \hat{w}_{32} x_2)$$

hyperbolic tangent
function

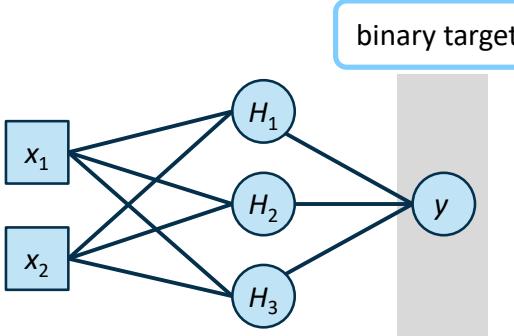
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The strength of neural networks is their ability to model nonlinear relationships. The hidden unit activation function is the key contributor to the model's ability to model nonlinearities. In each hidden unit, after the weighted inputs and the bias are combined, the hidden unit's net input is passed through an activation function.

Target Layer Activation Function



logistic function

$$\log\left(\frac{\hat{p}}{1-\hat{p}}\right) = \hat{w}_{00} + \hat{w}_{01} H_1 + \hat{w}_{02} H_2 + \hat{w}_{03} H_3$$

$$H_1 = \tanh(\hat{w}_{10} + \hat{w}_{11} x_1 + \hat{w}_{12} x_2)$$

$$H_2 = \tanh(\hat{w}_{20} + \hat{w}_{21} x_1 + \hat{w}_{22} x_2)$$

$$H_3 = \tanh(\hat{w}_{30} + \hat{w}_{31} x_1 + \hat{w}_{32} x_2)$$

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Activation functions can also be used in the target layer to model outcome distributions for different types of targets. In this example, the target is binary. The *target layer link function* (also known as

the *target layer activation function*) is the logistic function, which is typically used with a binary target. The logistic function is the inverse of the logistic activation function. The logistic activation function constrains its output to the range of 0 to 1, so it is an ideal candidate for generating probability estimates when used in the target layer.

| Function | Plot | Equation | Range |
|------------------------------|------|--|---------------------|
| Exponential | | $f(x) = e^x$ | $[0, \infty)$ |
| Identity | | $f(x) = x$ | $(-\infty, \infty)$ |
| Logistic | | $f(x) = \frac{1}{1 + e^{-x}}$ | $(0,1)$ |
| Rectified Linear Unit (ReLU) | | $f(x) = \begin{cases} 0 & \text{for } x < 0 \\ x & \text{for } x \geq 0 \end{cases}$ | $[0, \infty)$ |
| Sine | | $f(x) = \sin(x)$ | $[-1,1]$ |
| Softplus | | $f(x) = \ln(1 + e^x)$ | $[0, \infty)$ |
| Hyperbolic Tangent (Tanh) | | $f(x) = \frac{(e^x - e^{-x})}{(e^x + e^{-x})}$ | $(-1,1)$ |

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Interestingly, **with respect to the hidden layer neurons, it does not seem to matter which of the sigmoid activation functions is used**. The logistic and the hyperbolic tangent activation functions perform more or less equivalently.

Several useful non-sigmoidal activation functions are also available. For example, the *exponential* activation function generates values that range from 0 to ∞ . This is particularly useful when fitting distributions that are undefined for negative input values (for example, Poisson or gamma distributions).

$$\text{exponential}(net) = e^{net}$$

Sigmoid and hyperbolic tangent functions have lower and upper limits. The softplus activation function returns nonnegative values. Softplus values range from zero to infinity.

$$\text{softplus}(net) = \ln(1 + e^{net})$$

The identity activation function does not transform its argument at all. (See below.) This is useful when the desired response range is $-\infty$ to ∞ , such as when a normal target distribution is assumed.

$$\text{identity}(net) = net$$

Identity is the default output activation function.

Another activation function is the rectifier. The *rectifier* has now become the *de facto* standard in neural networks. Although many variants exist, the rectifier activation function is usually defined by the following equation:

$$\text{rectifier}(net) = \max(0, net)$$

It has been argued to be more biologically plausible than the widely used **logistic sigmoid** and its more practical counterpart, the **hyperbolic tangent**. A neuron using the rectifier activation function is called a *rectified linear unit* or, simply, a *rectilinear unit* (ReLU).

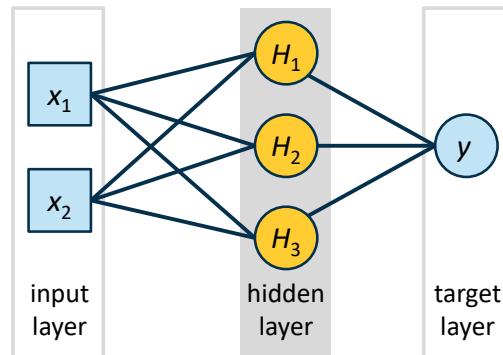
And finally, the sine activation function is also available. This is a well-known mathematical function. There are many ways to define the sine function. For example, the sine function can be defined using a right-angled triangle or a unit circle (LeCun et al. 1998).

Discussion

Exponential, identity, and logistic are commonly used for output layer based on the distribution of the target. Linear activation functions such as identity do not help with the complexity or various parameters of usual data that are fed to the neural networks. The nonlinear activation functions such as exponential and logistic are the most used activation functions. They make it easy for the model to generalize or adapt with variety of data and to differentiate between the output.

ReLU, Sine, softplus, and Tanh are generally used for a hidden layer (or multiple hidden layers). Tanh is the default activation function that is zero centered, making it easier to model inputs that have strongly negative, neutral, and strongly positive values. You might want to switch to softplus (or ReLU) when you have more layers to avoid neuron saturation (for example, autoencoder > two layers). Softplus is an alternative to traditional functions because it is differentiable and its derivative is easy to demonstrate. The need for speed has led to the development of new functions such as ReLu, which is computationally efficient. It allows the network to converge very quickly. Softplus and ReLU are largely similar, except near 0 where softplus is enticingly smooth and differentiable. Although Sine is wired for periodic pattern in NLP, it can be difficult to train and is not generally used. Instead, recurrent neural networks (RNNs) are used. RNNs are beyond the scope of this course.

How Many Hidden Units Do You Need?

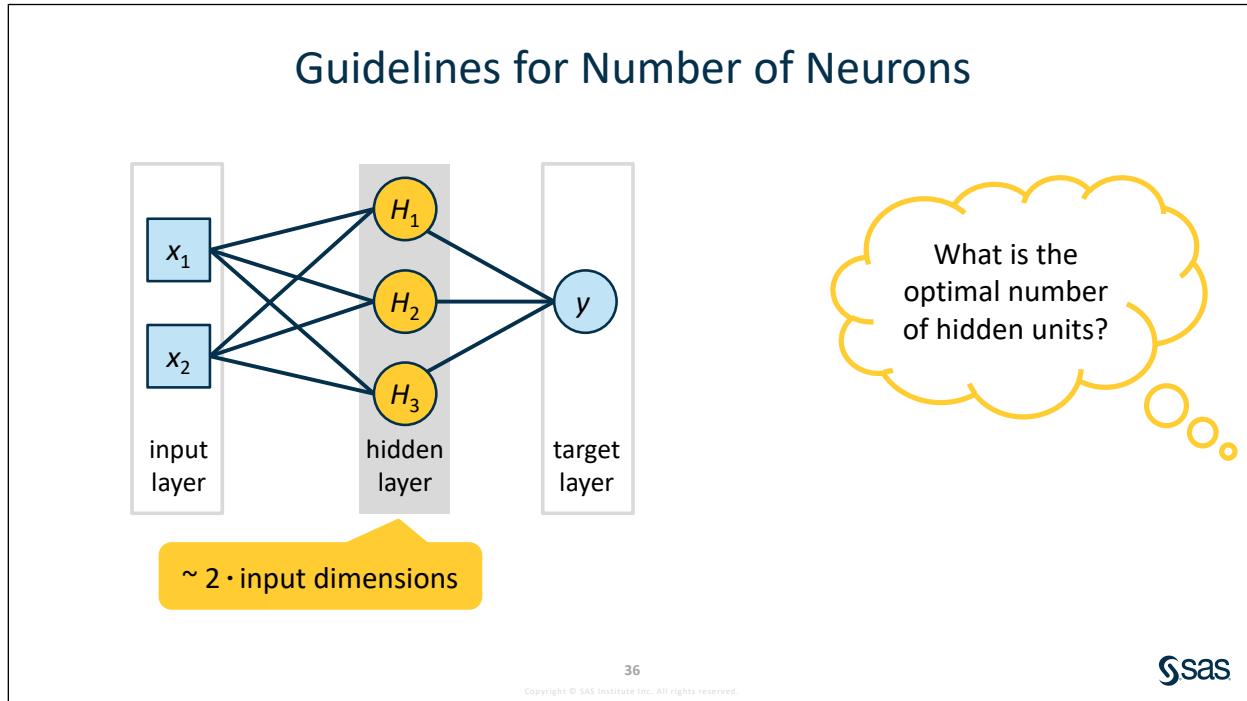


| Hidden Units | Result |
|--------------|--|
| Too many | <ul style="list-style-type: none"> Models noise Fails to generalize |
| Too few | <ul style="list-style-type: none"> Fails to capture the signal Fails to generalize |

The optimal number of hidden units (neurons) can be determined empirically, but there are also certain guidelines.

The question of the number of hidden units required is more difficult to answer than the required number of layers. If the network has too many hidden units, it models random variation (noise) as well as the desired pattern (signal). This means that the model will fail to generalize. Conversely, having too few hidden units will fail to adequately capture the underlying signal. This means that the error value will tend to stabilize at a high value. Again, the model will fail to generalize.

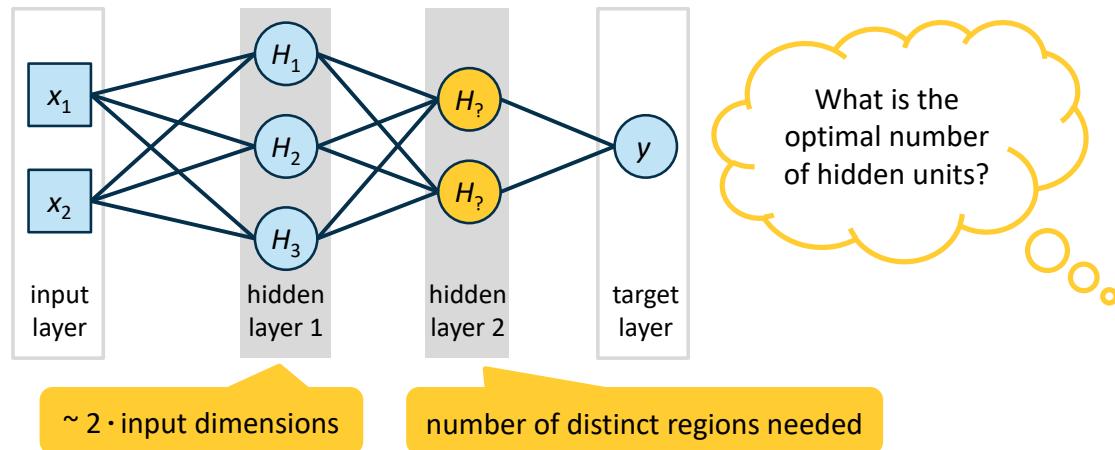
The appropriate number of hidden units is, perhaps, best determined empirically. You start with a linear network and measure its performance on some appropriate metric, like the Schwarz-Bayesian criterion. Then increase the number of hidden units by one and observe the impact on the network's fit. Continue adding hidden units until the network's performance drops. The final network is given by the number of hidden units in the network prior to the hidden unit addition that degraded the model's performance.



Unfortunately, ***the optimal number of hidden units is problem specific.***

However, there are guidelines. For example, Principe et al. (2000) suggest that the number of units in the first hidden layer should be about twice the number of input dimensions. This will reflect the number of discriminant functions in the input space.

Guidelines for Number of Neurons



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If a second hidden layer is required, then the number of hidden units in the second layer should reflect the number of distinct regions needed (Principe et al. 2000).



Improving a Neural Network Model by Changing the Network Architecture Parameters

In this demonstration, you change the default settings of the Neural Network node in the Lesson 4 pipeline. You modify the network architecture parameters.

1. Recall that the average squared error of the previous model, based on the default settings, was 0.1238 on the VALIDATE partition.
Try to improve the neural network performance by changing some of the default settings assigned to the network architecture.
2. Change **Input standardization** from Midrange to **Z score**. In this way, you rescale your data to have a mean of 0 and a standard deviation of 1. Midrange standardization results in the range values with a minimum of -1 and maximum of +1. Midrange standardization is usually applied to the tanh, arctangent, Elliott, sine, and cosine activation functions.
3. Clear the box for **Use the same number of neurons in hidden layers**. This enables you to use a different number of neurons in each hidden layer. However, this setting is redundant here because we are using only one hidden layer.
4. Under **Custom Hidden Layer Options**, enter **26** for **Hidden layer 1: number of neurons** (twice as many as the number of inputs). This specifies the number of hidden neurons in the first hidden layer for a network with one or more hidden layers. Because you have only one hidden layer, this can also be accomplished by directly using the **Number of neurons per hidden layer** property (which is inactive in the image below).

Input standardization:

Z score

Number of hidden layers:

1
 0
 5
 10

Hidden Layer Options

Use same number of neurons in hidden layers

Number of neurons per hidden layer:
50

Hidden layer activation function:
Tanh

Custom Hidden Layer Options

Hidden layer 1: number of neurons:
26

5. Run the **Neural Network** node.
6. Open the results for the node.

7. Click the **Assessment** tab.

| Target ... | Data Role | Partitio... | Formatt... | Sum of ... | Averag... |
|------------|-----------|-------------|------------|------------|-----------|
| churn | TRAIN | 1 | 1 | 39,590 | 0.0690 |
| churn | VALIDATE | 0 | 0 | 16,967 | 0.0720 |

The average squared error for the tuned neural network model is 0.0720 on the VALIDATE partition. This fit statistic is much better than the first model, which was fit by using the default settings. (But keep in mind results like this are data dependent! We cannot expect such large improvements every time that we try change settings for a model.)

8. Close the Results window.

End of Demonstration

4.3 Network Learning and Optimization

Essential Discovery Tasks



- Select an algorithm.
- Improve the model.
- Optimize complexity of the model.
- Regularize and tune hyperparameters of the model.

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Now that we have changed the model architecture (in an attempt to improve the model), we are ready to optimize the complexity of the model. The way in which neural network models optimize complexity is very different from other algorithms. For example, there is not a clear “sequence of models that increase in complexity” in the same way that there is for decision trees and regression models using a stepwise method. For neural networks, optimizing complexity does not involve adding more terms or more rules to the model. Instead, optimizing the complexity of a neural network involves controlling the magnitude of the weights. If the weights grow too large, the model will be overfit and will not generalize well. The two main methods of avoiding overfitting are weight decay and early stopping. These methods are often used together.

Network Learning



learning

weight estimation

numerical optimization methods

avoiding bad local minima

shaping the sigmoid and preventing overfitting

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A neural network uses a numerical optimization method that you specify to estimate the weights that minimize the error function. This process is called *learning*. Two steps are very important in the learning process for a neural network. The first one is to find a good set of weights that minimizes the error (avoid bad local minima). The second one is to ensure that this set of weights performs well (minimize the error) in different (new) data sets. (In other words, avoid overfitting of the training data.) It is therefore important to discuss the weight estimation process and available numerical optimization methods available in SAS Visual Data Mining and Machine Learning.

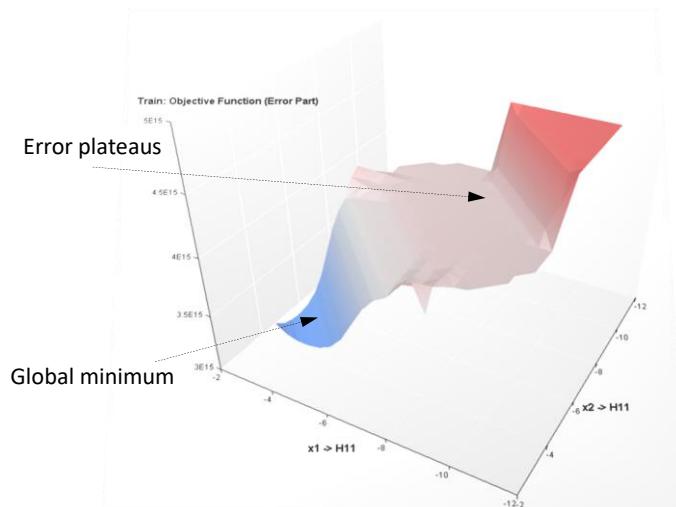
Weight Estimation: Iterative Updating

The objective function is minimized.

$$Q(\mathbf{w}) = (y - \mu(\mathbf{w}))^2$$

Weight estimates are adjusted using numerical optimization techniques.

$$\mathbf{w}^{(t+1)} = \mathbf{w}^{(t)} + \boldsymbol{\delta}^{(t)}$$



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The error function defines the surface of the parameter space. In this way, the neural network learns or searches for the best set of weights to minimize the error, depending on the type of the surface. Then the numerical method to estimate the weights is based on the error function.

A *global minimum* is a set of weights that generates the smallest amount of error. A simple strategy to ensure that a global minimum has been attained is a brute-force search of the parameter space. Unfortunately, the curse of dimensionality quickly makes this method infeasible.

Search optimization algorithms are *heuristic* methods that key on *local* features of the error surface when making their decisions. This makes them vulnerable to *error plateaus* (that is, areas of the error surface generating non-optimal error values). An error plateau is an area of the error space in which very little improvement is attained, given the current dot product of the inputs and weights. Previously, error plateaus were viewed as *local minima*. It is possible for a model to get stuck at a local minima, but this occurs only if the process has arrived at a saddle point for each model degree of freedom. Therefore, local minima are highly unlikely in higher-dimensional spaces.

From the optimization algorithm's perspective, when an error plateaus is reached, any further movements yield very little improvement in the error. And at this point, the search stops.

Unlike the parabolic error surface of a generalized linear model fit using least squares (which has no local minima), the error surface of a nonlinear model is plagued with error plateaus. Fortunately, many of these error plateaus have nearly the global error value. It is only the worst of them that must be avoided.

To efficiently search this landscape for an error minimum, optimization must be used. The optimization methods use local features of the error surface to guide their descent. Specifically, the weights associated with a given error minimum are located using the following procedure:

1. Initialize the weight vector to small random values, $\mathbf{w}^{(0)}$.
2. Use an optimization method to determine the update vector, $\delta^{(t)}$.
3. Add the update vector to the weight values from the previous iteration to generate new estimates:

$$\mathbf{w}^{(t+1)} = \mathbf{w}^{(t)} + \delta^{(t)}$$

4. If none of the specified convergence criteria have been achieved, then go to step 2.

Weight Estimation: Example

$$\text{logit}(\hat{p}) = \hat{w}_{00} + \hat{w}_{01} H_1 + \hat{w}_{02} H_2 + \hat{w}_{03} H_3$$

$$H_1 = \tanh(\hat{w}_{10} + \hat{w}_{11} x_1 + \hat{w}_{12} x_2)$$

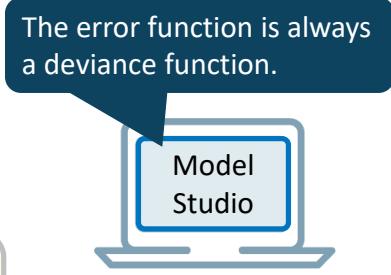
$$H_2 = \tanh(\hat{w}_{20} + \hat{w}_{21} x_1 + \hat{w}_{22} x_2)$$

$$H_3 = \tanh(\hat{w}_{30} + \hat{w}_{31} x_1 + \hat{w}_{32} x_2)$$

Binary Target

log-likelihood function

minimize $-2 \cdot [\sum_{\text{primary outcome training cases}} \log(\hat{p}_i) + \sum_{\text{secondary outcome training cases}} \log(1 - \hat{p}_i)]$



The error function is always a deviance function.

In this example, shown earlier, weight estimates for a binary target are produced by minimizing the error, which is $-2 * \log\text{-likelihood}$. This particular error function is known as the Bernoulli function. In Model Studio, the error function is always a deviance function. Deviance is a generalization of the idea of using the sum of squares of residuals in ordinary least squares on cases where model-fitting is achieved by maximum likelihood. The deviance function returns the deviance from a binomial distribution, with a probability of primary outcome \hat{p} , and a number of independent Bernoulli trials n .

Deviance

$$Q(\mathbf{w}) = 2\phi[\ln(l_{\text{saturated}}) - \ln(l(\mathbf{w}))]$$

| Distribution | Deviance Measure |
|--------------|--|
| Normal | $Q(\mathbf{w}) = \sum (y - \mu(\mathbf{w}))^2$ |
| Poisson | $Q(\mathbf{w}) = 2 \sum [y \ln(y / \mu(\mathbf{w})) - (y - \mu(\mathbf{w}))]$ |
| Gamma | $Q(\mathbf{w}) = 2 \sum [-\ln(y / \mu(\mathbf{w})) + (y - \mu(\mathbf{w})) / \mu(\mathbf{w})]$ |
| Entropy | $Q(\mathbf{w}) = 2 \left[y \ln\left(\frac{y}{\mu(\mathbf{w})}\right) + (1-y) / \ln\left(\frac{1-y}{1-\mu(\mathbf{w})}\right) \right]$ |

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Deviance defines the error function (that is, the deviance measure) to be minimized. The above table summarizes the error functions used in Model Studio. A single neuron implements a generalized linear model. This means that a single neuron can model many common target distributions including Poisson, gamma, binary, multinomial, and ordinal targets. Moreover, there is no need to perform target transformations. You simply fit the desired target distribution by selecting the appropriate error (deviance) function.

If the probability distribution is a member of the exponential family, minimizing deviance is equivalent to maximizing likelihood. But deviance offers the advantage that it does not require a probability density function, which makes the calculation of deviance more efficient. Deviance also offers other numerical advantages. For example, the deviance measures are automatically scaled.

The default method for fitting an interval target is a *normal* distribution. The deviance measure used to fit a normal distribution is the familiar ordinary least squares equation (below):

$$Q(\mathbf{w}) = \sum (y - \mu(\mathbf{w}))^2$$

A *Poisson* distribution is usually thought of as the appropriate distribution for count data. Because the variance is proportional to the mean, the deviance function for a Poisson distribution is the following:

$$Q(\mathbf{w}) = 2 \sum [y \ln(y / \mu(\mathbf{w})) - (y - \mu(\mathbf{w}))]$$

In a *gamma* distribution, the variance is proportional to the square of the mean. It is often used when the target represents an amount. The gamma deviance function is given by the following:

$$Q(\mathbf{w}) = 2 \sum [-\ln(y / \mu(\mathbf{w})) + (y - \mu(\mathbf{w})) / \mu(\mathbf{w})]$$

Entropy

Cross or relative entropy is for independent interval targets with values between zero and 1 (inclusive). **Identical to the Bernoulli distribution if the target is binary,** it offers some advantages over the Bernoulli distribution when the data are proportions. The entropy deviance estimate is given by the following:

$$Q(\mathbf{w}) = 2 \left[y \ln\left(\frac{y}{\mu(\mathbf{w})}\right) + (1 - y) / \ln\left(\frac{1 - y}{1 - \mu(\mathbf{w})}\right) \right].$$

Target Activation Function and Error Function Combinations

| Target | Activation Function | Error Function |
|----------|---------------------|----------------|
| Interval | Identity | Normal |
| | Sine | Normal |
| | Hyperbolic tangent | Normal |
| | Exponential | Poisson |
| | Exponential | Gamma |
| Nominal | Softmax | Entropy |

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The slide above summarizes the appropriate activation and error function combinations.

If the target is interval, there are four possible activation functions to be used: Identity, Sine, Hyperbolic Tangent, and Exponential. If the target distribution is normal, the error function should be Normal. If the target distribution is exponential, the error function can be Poisson or Gamma. If the target is nominal, the activation function should be Softmax, and the error function should be Entropy.

Numerical Optimization Methods in Model Studio

- Limited-Memory Broyden-Fletcher-Goldfarb-Shanno (**LBFGS**)
- Stochastic Gradient Descent (**SGD**)

▼ Common Optimization Options

Optimization method:

1
33
64

Maximum iterations:

47

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There are two optimization methods available in the Neural Network node of Model Studio: limited memory BFGS and stochastic gradient descent. They are both discussed briefly over the next few slides.

In the Neural Network properties panel, you can select a numerical optimization method under **Common Optimization Options**. The menu for **Optimization method** is shown above. The default setting of **Optimization method** is **Automatic**, which selects one of the two available optimization methods based on the number of hidden layers. LBFGS is used when there are 2 or less hidden layers. SGD is used otherwise.

LBFGS

Limited-Memory Broyden-Fletcher-Goldfarb-Shanno optimization algorithm:

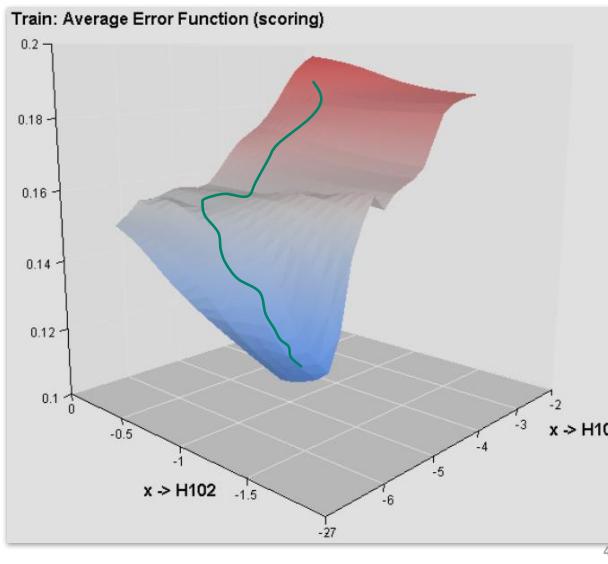
- LBFGS is the default optimization method for the Neural Network node when two or fewer hidden layers are used.
- An estimation of the inverse Hessian matrix is used to steer the search.
- Rather than a full $n \times n$ (n = number of variables) approximation to the inverse Hessian, only a few vectors are stored to represent the approximation.
- This method is well suited for optimization problems with a large number of variables.

The default optimization method in the Neural Network node when there are two or fewer hidden layers is a variant of the BFGS method known as *limited memory BFGS*. Like the original BFGS, the limited memory BFGS (L-BFGS) uses an estimation of the inverse Hessian to steer the search. But, whereas BFGS stores an n by n approximation to the Hessian (where n is the number of variables), the L-BFGS variant stores only a few vectors that represent the approximation implicitly. Thus, L-BFGS is well suited for optimization problems with a large number of variables (Byrd et al. 1995).

The LBFGS is an optimization algorithm in the family of quasi-newton methods that approximates the BFGS algorithm using only some specific gradients to represent the approximation implicitly. It uses less computer memory due to its linear memory requirement. The algorithm starts with initial estimates of the optimal value of weights and progresses continuously to improve the estimates of the weights. The derivatives of the function of the estimates are used to drive the algorithm to find the direction of the steepest descent. The derivatives are also used to find the estimate of the Hessian matrix (second derivative).

Note: The default optimization method for the Neural Network node is *Automatic*. Automatic uses LBFGS if the network has two or fewer hidden layers. Otherwise, Stochastic Gradient Decent, discussed next, is used. LBFGS cannot be used in networks with more than two hidden layers.

Batch Gradient Descent



$$\delta^{(t)} = -\eta \nabla g^{(t)} + \alpha \delta^{(t-1)}$$

- Uses a partial (fraction) of the training observations to calculate the gradient on each descent step
- Results in a smooth progression to the error minima



Re-invented several times, the back propagation (*backprop*) algorithm initially used only *gradient descent* to determine an appropriate set of weights. The gradient, $\nabla g^{(t)}$, is the vector of partial derivatives of the error function with respect to the weights. It points in the steepest direction uphill. By negating the step size (that is, *learning rate*) parameter, η , a step is made in the direction that is locally steepest downhill.

$$\delta^{(t)} = -\eta \nabla g^{(t)}$$

Unfortunately, as gradient descent approaches the desired weights, it exhibits numerous back-and-forth movements known as *hemstitching*. To control the training iterations wasted in this hemstitching, later versions of back propagation included a momentum term, yielding the modern update rule:

$$\delta^{(t)} = -\eta \nabla g^{(t)} + \alpha \delta^{(t-1)}$$

The *momentum* term retains the last update vector, $\delta^{(t-1)}$, using this information to “dampen” potentially oscillating search paths. The cost is an extra learning rate parameter ($0 \leq \alpha \leq 1$) that must be set.

Note: The default value of α is 0. This means that, by default, backprop performs gradient descent.

In the (default) batch variant of the gradient descent algorithm, generation of the weight update vector is determined by using all of the examples in the training set. That is, the exact gradient is calculated, ensuring a relatively smooth progression to the error minima.

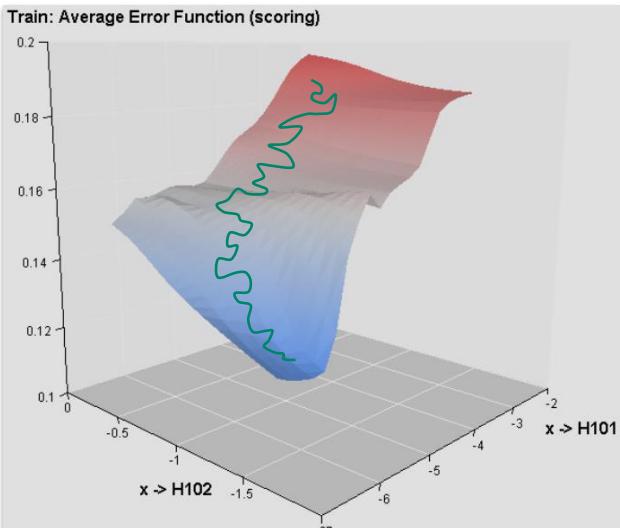
Note: For a linear neuron, with squared error, the error surface is a quadratic bowl. The vertical cross-sections are parabolas, and the horizontal cross-sections are ellipses. For multilayer networks, the error surface is much more complicated. But provided that the weights are not too big, locally the error surface can be well approximated by a piece of a quadratic bowl (Hinton 2013).

However, when the training data set is large, computing the exact gradient is computationally expensive. The entire training data set must be assessed on each step down the gradient. Moreover, if the data are redundant, the error gradient on the second half of the data will be almost identical to the gradient on the first half. In this event, it would be a waste of time to compute the gradient on the whole data set. You would be better off computing the gradient on a subset of the weights, updating the weights, and then repeating on a new subset. In this case, each weight update is based on an approximation to the true gradient. But as long as it points in approximately the same direction as the exact gradient, the approximate gradient is a useful alternative to computing the exact gradient (Hinton 2007).

A compromise between batch gradient descent and single-case stochastic gradient descent is to divide the training data into small batches, compute the gradient using a single batch, make an update, and then move to the next batch of observations. This is known as *mini-batch gradient descent*.

Like single-case stochastic gradient descent, mini-batch gradient descent is typically faster than batch gradient descent. And because the weights are updated less often than when single-observation stochastic gradient descent is used, mini-batch gradient descent typically uses less computation updating the weights, that is, each mini-batch computes the gradients for a number of cases in parallel. However, it is important that the mini-batches contain approximately balanced classes (Hinton 2013).

Stochastic Gradient Descent (SGD)



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$$\delta^{(i)} = -\eta \nabla g^{(i)} + \alpha \delta^{(i-1)}$$

- Uses a single training observation to calculate an approximate gradient for each descent step
- Results in a chaotic progression to the error minima



Stochastic gradient descent (SGD) is another numerical optimization method available for the Neural Network node in Model Studio.

Stochastic gradient descent is a stochastic approximation of the gradient descent optimization. It approximates the true gradient by using a single data point in the training data set.

The gradient descent is an optimization algorithm to find the minimum value for a function iteratively. It takes steps proportional to the negative of the gradient of the function at the current point. The gradient is a multi-variable generalization of the derivative. The derivative can be defined on functions of a single variable. For functions of several variables, which is the case of the predictive models, including the neural networks, the gradient is defined. As the gradient represent the slope of the tangent for a particular function, it points in the direction of the greatest rate of increase of the function, which in the neural network case would be the point that minimize the loss function.

If a multi-variable function $F(\mathbf{x})$ is differentiable in a neighborhood of a point \mathbf{a} , $F(\mathbf{x})$ decreases fastest if it goes from a point \mathbf{a} in the direction of the negative gradient of $F(\mathbf{x})$ at \mathbf{a} .

In Model Studio, the **Minibatch size** property specifies the size of the minibatches used for SGD optimization. The default value is 50.

Which optimization method should you use?

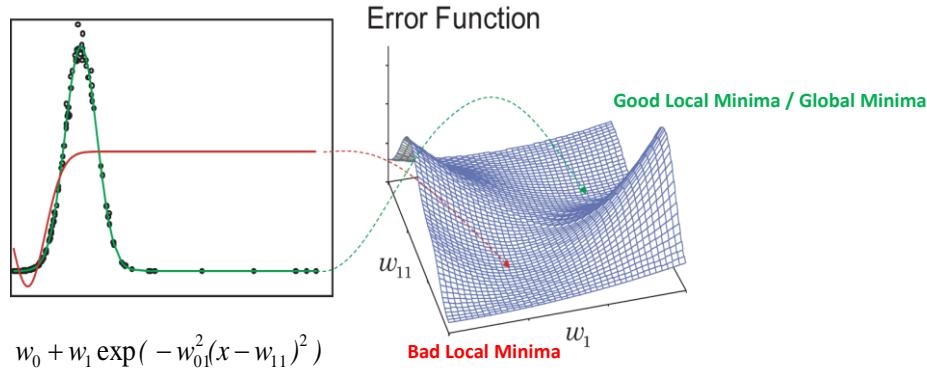
The LBFGS algorithm uses a limited amount of computer memory. It can often get the better solution than the SGD with fewer iterations. A strength of SGDs is that they are simple to implement and faster for problems that have many training examples and many predictor variables.

However, SGD methods have many disadvantages. One key disadvantage of SGDs is that they require much manual tuning of optimization parameters such as learning rates and convergence criteria. If you do not know the task at hand well, it is very difficult to find a good learning rate or a good convergence criterion. A standard strategy in this case is to run the learning algorithm with many optimization parameters and choose the model that gives the best performance on a validation set. Because you need to search over the large space of possible optimization parameters, this makes SGDs difficult to train in settings where running the optimization procedure many times is computationally expensive.

Note: For more details see “Alternatives to SGD: L-BFGS” at

<https://raberrytv.wordpress.com/2015/06/20/alternatives-to-sgd-l-bfgs/>

Global and Local Minima



Note: In Model Studio, the **Number of tries** property can be used to avoid a local minima problem.

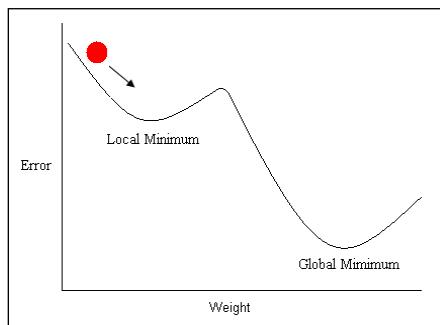
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A *global minimum* is a set of weights that generates the smallest amount of error. A simple strategy to ensure that a global minimum has been attained is a brute-force search of the parameter space. Unfortunately, the curse of dimensionality quickly makes this method infeasible.

Many optimization algorithms are not guaranteed to converge to a global error minimum. Rather, many search optimization algorithms are **heuristic** methods that key on **local** features of the error surface when making their decisions. This makes them vulnerable to *local* minima (that is, areas of the error surface generating non-optimal error values). See the diagram below.

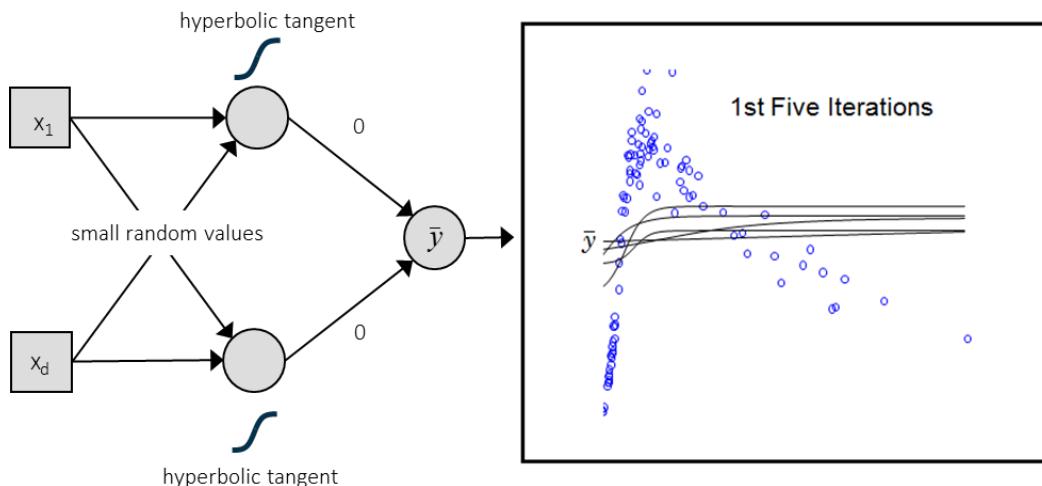


From the optimization algorithm's perspective, when a local minimum is reached, any movement away from the bottom leads to an increase in error. Because this is unacceptable, the search stops.

Unlike the parabolic error surface of a generalized linear model fit using least squares (which has no local minima), the error surface of a nonlinear model is plagued with local minima. Fortunately, many of these local minima have nearly the global error value. It is only the worst of them that must be avoided.

In Model Studio, the **Number of tries** property specifies the number of times the network is to be trained using a different starting point. Specifying this option helps ensure that the optimizer finds the table of weights that truly minimizes the objective function and does not return a local minimum. By default, **Number of tries** is 1.

Details: Initialization Procedure

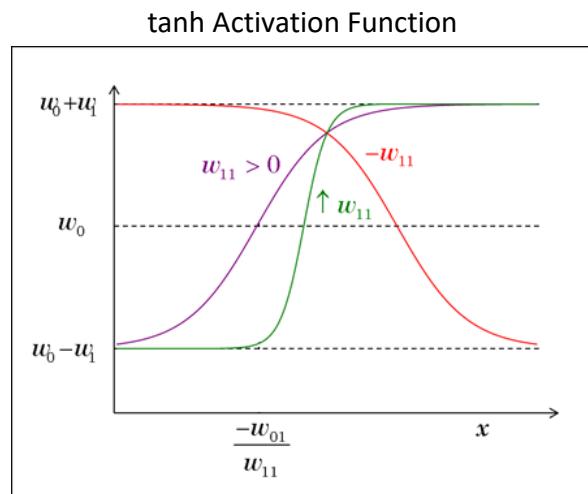
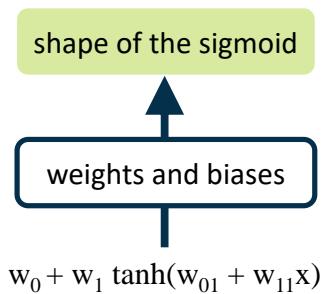


One way to avoid the worst local minima is to start with good weight values. In the Neural Network node, this is accomplished by means of the following five-step initialization process:

1. Standardize the inputs to have a midrange of 0, a minimum value of -1, and a maximum value of 1 (midrange).
2. Set the input-to-hidden weights to a small random number.
3. Use the hyperbolic tangent activation function so that the inflection point is at zero. The Elliott or arctangent functions are acceptable alternatives because they also have a zero inflection point.
4. Set the hidden-to-output connection weights to zero.
5. Because the hidden-to-output weights are set to zero in step 4, the output activation is given solely by the output bias on the first iteration. Therefore, the output bias is initialized to the mean of the target.

These initializations help prevent the optimization algorithms from stepping into treacherous regions of the parameter space (that is, regions of the parameter space with many bad local minima).

Shaping the Sigmoid



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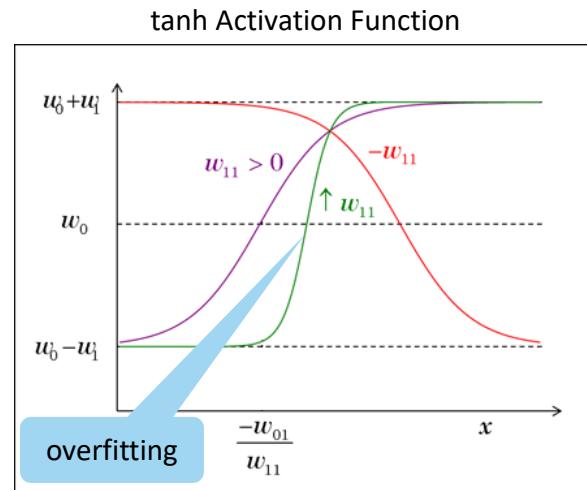
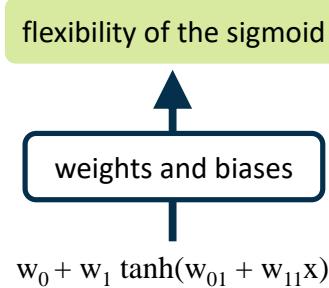
The weights and biases give the sigmoidal surfaces their range. For example, because the maximum value returned by the hyperbolic tangent activation function is 1, the upper bound of the hyperbolic tangent's activation range is given by the output unit's bias plus its weight:

$$w_0 + w_1 \tanh(w_{01} + w_{11}x) = w_0 + w_1(1) = w_0 + w_1$$

Conversely, the minimum activation value of the hyperbolic tangent function is -1 , which means that the lower bound of the hyperbolic tangent's activation range is as follows:

$$w_0 + w_1 \tanh(w_{01} + w_{11}x) = w_0 + w_1(-1) = w_0 - w_1$$

Shaping the Sigmoid



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The weights and biases also give the sigmoid surfaces their flexibility. The sign of the weight associated with input x controls the direction of the sigmoid. Positive weight values produce the familiar s-shaped curve, and a negative weight value flips the sigmoid horizontally. The larger the absolute value of the weight, the steeper the curve. **Steep sigmoids are often held to be responsible for overfitting.**

Note: Early stopping is one way to help keep the sigmoids from becoming too steep. Overfitting is controlled by the regularization terms L1 and L2 and the annealing rate, which you learn about later.

Preventing Overfitting

weights too large

$$\text{logit}(\hat{p}) = \hat{w}_{00} + \hat{w}_{01} H_1 + \hat{w}_{02} H_2 + \hat{w}_{03} H_3$$

$$H_1 = \tanh(\hat{w}_{10} + \hat{w}_{11} x_1 + \hat{w}_{12} x_2)$$

$$H_2 = \tanh(\hat{w}_{20} + \hat{w}_{21} x_1 + \hat{w}_{22} x_2)$$

$$H_3 = \tanh(\hat{w}_{30} + \hat{w}_{31} x_1 + \hat{w}_{32} x_2)$$

overfit

generalization

| New Data | |
|----------|--------|
| Inputs | Target |
| ■ ■ ■ | ■ |
| ■ ■ ■ | ■ |
| ■ ■ ■ | ■ |

Recall that for neural networks, optimizing complexity is different compared to other models that we have seen thus far. Optimizing the complexity of a neural network model does not involve adding more terms (as for a regression model) or more rules (as for a decision tree). Here, it is the size of the weight estimates that are important in optimizing complexity.

Preventing Overfitting

weight decay

early stopping

$$\text{logit}(\hat{p}) = \hat{w}_{00} + \hat{w}_{01} H_1 + \hat{w}_{02} H_2 + \hat{w}_{03} H_3$$

$$H_1 = \tanh(\hat{w}_{10} + \hat{w}_{11} x_1 + \hat{w}_{12} x_2)$$

$$H_2 = \tanh(\hat{w}_{20} + \hat{w}_{21} x_1 + \hat{w}_{22} x_2)$$

$$H_3 = \tanh(\hat{w}_{30} + \hat{w}_{31} x_1 + \hat{w}_{32} x_2)$$

-overfit

generalization

| New Data | |
|----------|--------|
| Inputs | Target |
| ■ ■ ■ | ■ |
| ■ ■ ■ | ■ |
| ■ ■ ■ | ■ |

If the weights grow too large, the model will be overfit to the training data and not generalize well to new data. Weight decay and early stopping are the two primary methods to help avoid overfitting. These two methods are often used in tandem and are discussed next.

Weight Decay

Objective Function **without**
Weight Decay

$\lambda = 0$

Objective Function **with**
Weight Decay

$\lambda > 0$

Regularizations are methods to help keep
the sigmoids from becoming too steep.

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Bartlett (1997) demonstrated that generalization depends more on the magnitude of the weights than on the number of weights. Very large magnitude weights tend to generate an irregular fit to the data, as the model adapts to noise (random variation). In other words, large weights are responsible for overfitting.

The graph on the left shows the objective function without weight decay. The graph on the right shows the objective function with weight decay. In both graphs, the horizontal axis shows the magnitude of the weight w_1 , and the vertical axis shows the magnitude of the weight w_{11} .

In the graph on the left, with no weight decay, the minima are farther from the origin, so the weights used to find the minima are large. In the graph on the right, the minima are constrained closer to the origin, so the weights used to find the minima are smaller (and thus, less likely to overfit).

Regularizations

| | | |
|--|--|--|
| L1 Weight Decay | $\text{objective function} = \frac{1}{n} \sum_{i=1}^n (\text{error function}_i + \lambda w_i)$ | decay parameter penalty term |
| L2 Weight Decay | $\text{objective function} = \frac{1}{n} \sum_{i=1}^n (\text{error function}_i + \lambda \ w_i\ ^2)$ | decay parameter penalty term |
| L1 (λw_i) | L2 ($\lambda \ w_i\ ^2$) | |
| Absolute deviation | Squared deviation | |
| Robust | Not very robust | |
| Change is constant | Change is proportional | |

versus

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Weight decay is one way to keep the weights from growing too large. L1 regularization is similar to L2 regularization in that both methods penalize the objective function for large network weights. The two regularizations differ in that L2 regularization penalizes the objective function by an amount proportional to the weight size, whereas L1's penalty is constant relative to changes in the weights. This means that L2 is likely to penalize larger weights to a greater degree than L1, but to a lesser degree than L1 when the weights are small. L1 regularization encourages sparsity because it is found to "concentrate the weight of the network in a relatively small number of high-importance connections, while the other weights are driven toward zero" (Nielsen 2015). L2 regularization is viewed as shrinking weights toward zero and can be considered not as robust as L1 regularization due to the large penalty that can arise from outliers.

The decay parameter λ , which can range from 0 to 1, controls the relative importance of the penalty term. Specifying too large of a penalty term risks the model underfitting the data. However, as Ripley (1996) points out, the advantages of weight decay far outweigh its risks [emphasis added]:

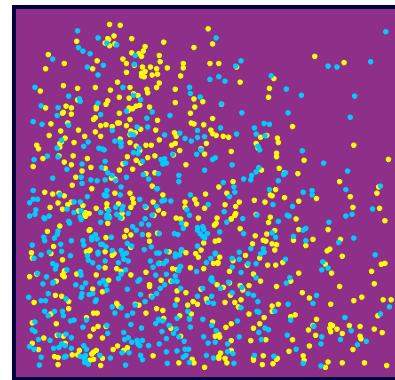
Weight decay helps the optimization in several ways. When weight decay terms are included, it is normal to find fewer local minima, and as the objective function is more nearly quadratic, the quasi-Newton and conjugate gradient methods exhibit super-linear convergence in many fewer iterations. ***There seems no reason to ever exclude a regularizer such as weight decay.*** (pp. 159-160)

In any event, the influence of the penalty term is usually kept extremely small. In many published studies, the magnitude of the decay parameter (λ) is on the order of 0.000001.

Early Stopping

Initial hidden unit weights

$$\text{logit}(\hat{p}) = 0 + 0 \cdot H_1 + 0 \cdot H_2 + 0 \cdot H_3$$



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Early stopping is another way to keep the weights from growing too large. It is closely related to ridge regression (Sarle 1995). Complexity optimization is an integral part of neural network modeling. Other modeling methods select an optimal model from a sequence of possible models. In the Neural Network node, only one model is estimated, so what is compared?

SAS Visual Data Mining and Machine Learning treats each iteration in the optimization process as a separate model. The iteration with the smallest value of the selected fit statistic is chosen as the final model. This method of model optimization is also called *stopped training*.

Early Stopping

Initial hidden unit weights

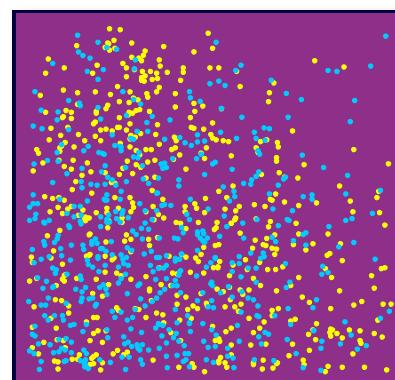
$$\text{logit}(\hat{p}) = 0 + 0 \cdot H_1 + 0 \cdot H_2 + 0 \cdot H_3$$

$$H_1 = \tanh(-1.5 - .03x_1 - .07x_2)$$

$$H_2 = \tanh(.79 - .17x_1 - .16x_2)$$

$$H_3 = \tanh(.57 + .05x_1 + .35x_2)$$

Random initial
input weights and biases



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To begin model optimization, model weights are given initial values. The weights multiplying the hidden units in the logit equation are set to zero, and the bias in the logit equation is set equal to the $\text{logit}(\pi_1)$, where π_1 equals the primary outcome proportion. The remaining weights (corresponding to the hidden units) are given random initial values (near zero).

This “model” assigns each case a prediction estimate: $\hat{p}_i = \pi_1$. An initial fit statistic is calculated on training and validation data. For a binary target, this is proportional to the log likelihood function:

$$\sum_{\text{primary outcomes}} \log(\hat{p}_i(\hat{\mathbf{w}})) + \sum_{\text{secondary outcomes}} \log(1 - \hat{p}_i(\hat{\mathbf{w}}))$$

where

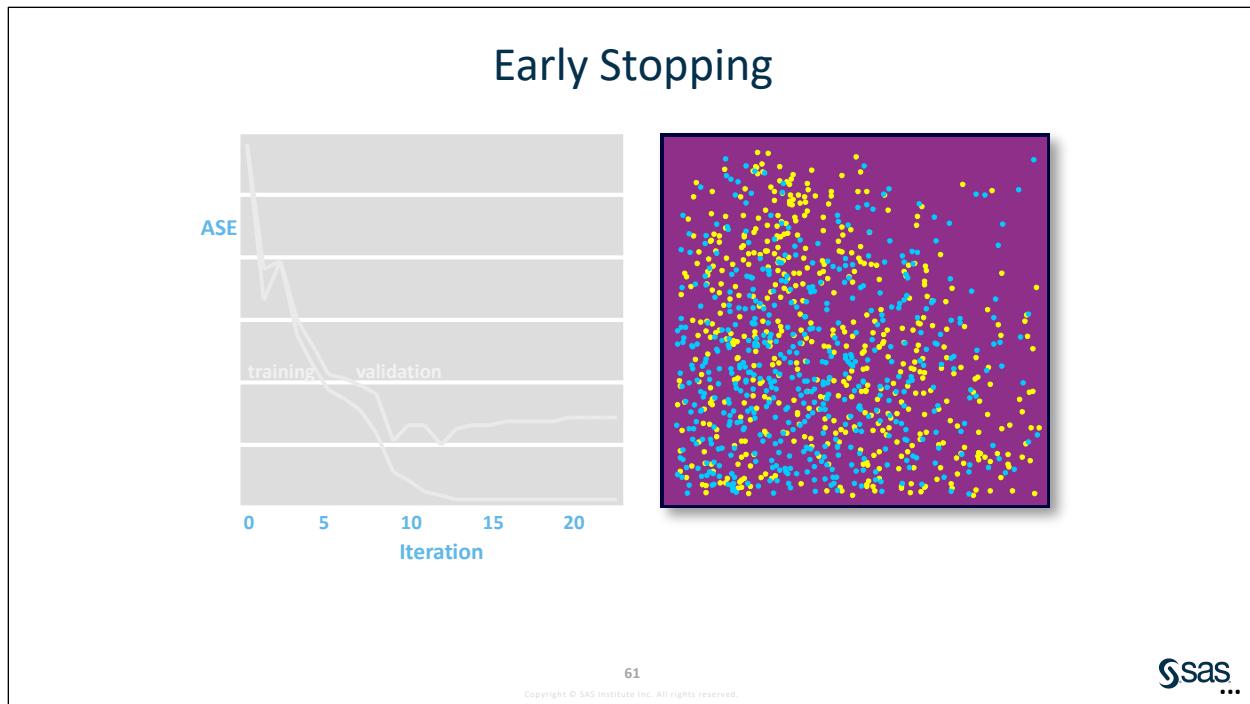
\hat{p}_i is the predicted target value.

$\hat{\mathbf{w}}$ is the current estimate of the model parameters.

Training proceeds by updating the parameter estimates in a manner that decreases the value of the objective function. This process is repeated until one of the two following conditions is met:

- The objective function that is computed using the training partition stops improving.
- The objective function that is computed using the validation partition stops improving.

The process has been repeated the number of times specified in the **Maximum iterations** and **Maximum time** properties, which are found in the Common Optimization Options group of properties in the Neural Network node.



As stated above, in the initial step of the training procedure, the neural network model is set up to predict the overall average response rate for all cases.

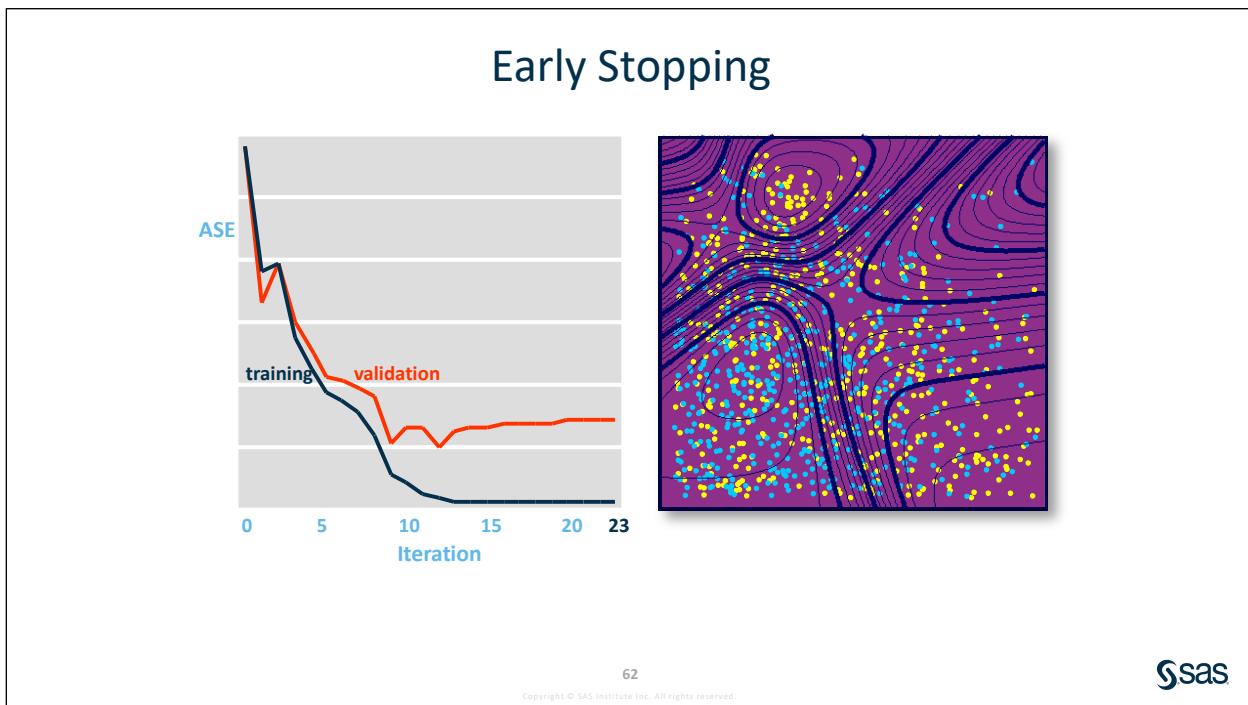
One step substantially decreases the value average squared error (ASE). Amazingly, the model that corresponds to this one-iteration neural network closely resembles the standard regression model, as seen from the fitted isoclines.

The second iteration step goes slightly astray. The model actually becomes slightly worse on the training and validation data.

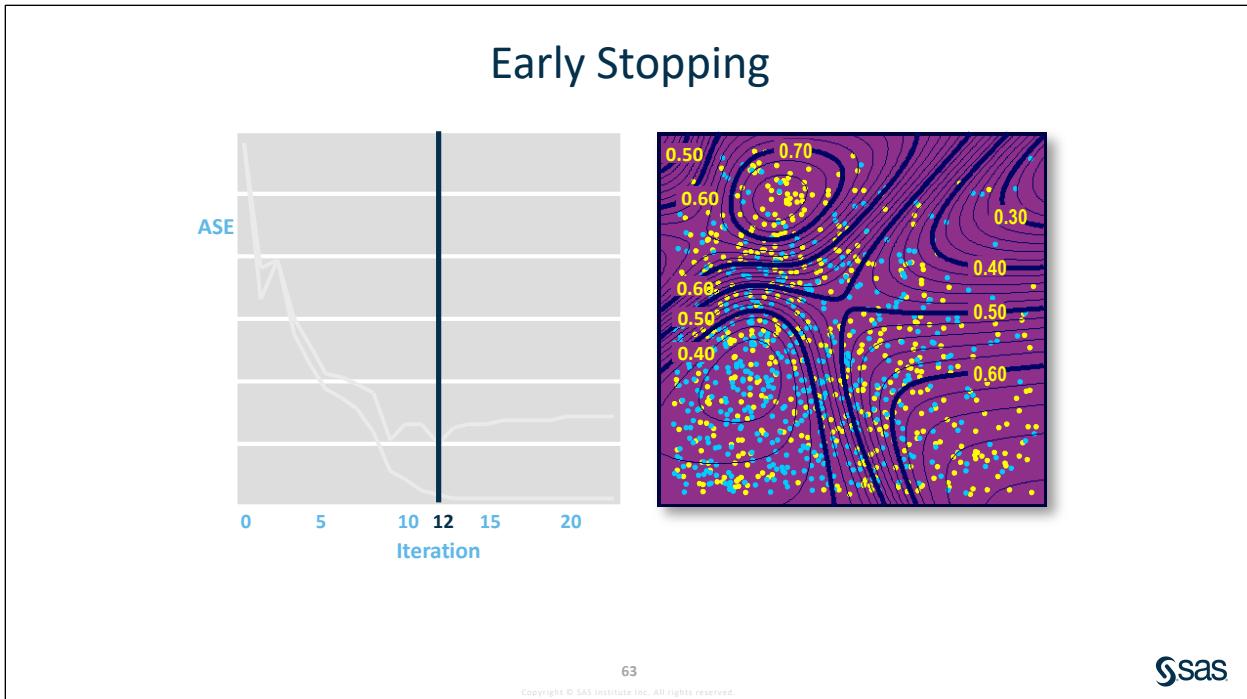
Things are back on track in the third iteration step. The fitted model is already exhibiting nonlinear and nonadditive predictions. Half of the improvement in ASE is realized by the third step.

Most of the improvement in validation ASE occurred by the ninth step. (Training ASE continues to improve until convergence in step 23.) The predictions are close to their final form.

Step 12 brings the minimum value for validation ASE. Although this model is ultimately chosen as the final model, the algorithm for the model continues to train until the likelihood objective function changes by a negligible amount on the training data.



In step 23, training is declared complete due to lack of change in the objective function from step 22. Notice that between step 13 and step 23, ASE actually increased for the validation data. This is an indication of overfitting.



The Neural Network node selects the modeling weights from iteration 13 for the final model. In this iteration, the validation ASE is minimized. You can also configure the Neural Network node to select the iteration with minimum misclassification for final weight estimates.

Note: The name *stopped training* comes from the fact that the final model is selected as if training were stopped on the optimal iteration. Detecting when this optimal iteration occurs (while actually training) is somewhat problematic. To avoid stopping too early, the Neural Network node continues to train until convergence on the training data or until reaching the maximum iteration count, whichever comes first.

In Model Studio, the **Perform Early Stopping** property specifies whether to stop training when the model begins to overfit. The training stops after N consecutive iterations (Stagnation) without improvement in the validation partition. Early stopping cannot be used if there is no validation partition. By default, this option is selected. The following options are available:

- **Stagnation** – Specifies the number of consecutive iterations (N) for early stopping. The default value is 5.
- **Validation error goal** – Specifies a goal for early stopping based on the validation error rate. When the error gets below this value, the optimization stops. This option is in effect only for networks with fewer than 6 hidden layers. The value of 0 indicates that no validation error goal is set. The default value is 0.

Essential Discovery Tasks



- Select an algorithm.
- Improve the model.
- Optimize complexity of the model.
- Regularize and tune hyperparameters of the model.

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One of the hardest components in neural network modeling is finding the model parameters that minimize the loss function. These parameters are associated with the number of hidden layers, the number of hidden units, the activation function, the target function, and so on. As the complexity of your model increases, its predictive abilities often decrease after a certain point due to overfitting and multicollinearity issues. Therefore, the resulting models often do not generalize well to new data, and they yield unstable parameter estimates. Some of the machine learning procedures in SAS Viya offer the Autotune option, which searches the optimal combination of hyperparameters to fit the best model under certain conditions.

Network Learning Hyperparameters for SGD

SGD Options

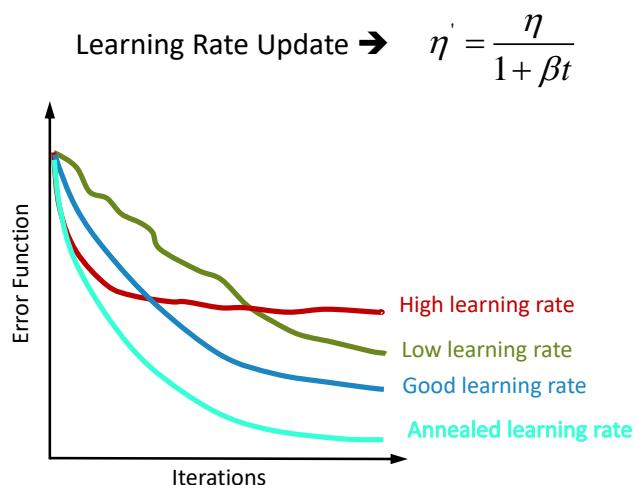
Learning rate:
0.001

Annealing rate:
0.000001

Minibatch size:
50

Momentum:
0

Create deterministic results



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The *learning rate* is a training parameter that controls the size of weight and bias changes in learning of the training algorithm. Neural networks are often trained by weight decay methods. This means that at each iteration, we calculate the derivative of the loss function with respect to each weight and subtract it from that weight. However, by doing that, the weights can change too much in each iteration, making the weights too big and tending to overfit the model. One way to avoid that is to multiply each derivative by a small value, the learning rate described above, before subtracting it from its corresponding weight.

You can think of a loss function as a surface, where each direction that you can move in represents the value of a weight. Gradient descent is like taking leaps in the current direction of the slope, and the learning rate is like the length of the leap that you take.

Setting the learning rate too high yields great progress in decreasing the error function in the first few iterations, but at a risk of diverging later in the training process. On the other hand, setting the learning rate too small can result in very long training times. A “good” learning rate is a balance between the two and is considered to be problem specific.

A learning rate schedule is one approach used to optimize the learning process. The idea behind a learning rate schedule is to train the model for a few iterations using a large learning rate. Afterward, adjust the learning rate to a lower value and train the model for a few more iterations. This process is repeated until convergence.

An alternative to a learning rate schedule uses an *annealing rate*. Annealing is a way to automatically reduce the learning rate as SGD progresses, causing smaller steps as SGD approaches a solution. Effectively, it replaces the learning rate parameter, η , with $\eta' = \eta / (1 + \beta t)$, where t is the number of iterations that SGD has performed and is the annealing parameter.

Setting the annealing rate too small results in very long training times, and setting it too large can result in movement away from the desired solution (that is, divergence).

Note: If you see a very large objective value with SGD, especially with small data set, it is likely that the learning rate is set too large.

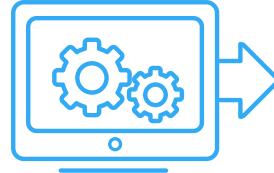
Summary of Hyperparameters

| | |
|------------------------------|---|
| Learning Rate | Controls the size of the changes in weights and biases during the learning process for the SGD optimizer. |
| Annealing Rate | Automatically reduces the learning rate as SGD progresses, causing smaller steps as SGD approaches a solution. Effectively, it replaces the learning rate parameter as a function of the number of iterations that SGD has performed. |
| Regularization 1 (L1) | Shrinks the weights by a constant amount toward 0. |
| Regularization 2 (L2) | Shrinks the weight by an amount proportional to the weight size. It is the weight decay. |
| Momentum | The current weight update is a function of the previous one. The momentum parameter is used to prevent the system from converging to a local minima. |

Autotuning Options

Autotuning searches for the best combination of values in different properties:

- Number of hidden layers
- Number of neurons
- L1 and L2 regularizations
- Learning rate
- Annealing rate
- Search method – Bayesian, Genetic algorithm, Grid, Latin hypercube sample, Random
- Validation method – Partition, Cross validation
- Objective function (class and interval targets)



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When the Autotune feature is used, SAS Visual Data Mining and Machine Learning returns the optimal number of units for each hidden layer. Autotuning is invoked by selecting the **Performing Autotuning** property on the Options tab in the Neural Network node.

Autotuning is available only when the number of hidden layers is less than 6.

The Autotuning statement activates the tuning optimization algorithm, which searches for the best hidden layers and regularization parameters based on the problem and specified options. If the algorithm used to train the neural network is based on the Stochastic Gradient Descent, the Autotune feature also searches for the best values of the learning rate and annealing rate. In addition, the Autotune feature searches for the best hyperparameter values for the number of hidden layers, the number of hidden units in each hidden layer, the L1 regularization, and the L2 regularization parameters.

You can also define the search method for the hyperparameters, as Bayesian, Genetic algorithm, Latin hypercube sample, or Random sample. The genetic algorithm method uses an initial Latin hypercube sample that seeds a genetic algorithm to generate a new population of alternative configurations at each iteration. The Latin Hypercube method performs an optimized grid search that is uniform in each tuning parameter, but random in combinations. The Random method generates a single sample of purely random configurations. The Bayesian method uses priors to seed the iterative optimization.

Finally, you can specify the number of tuning evaluations in one iteration. This option is available only if the Search method is Genetic algorithm or Bayesian. Similarly, you can specify the maximum number of tuning evaluations and the maximum number of tuning iterations.

For the search method, Random or Latin hypercube is also possible to specify a sample size.

Finally, you can specify the validation method for finding the objective value, including partition and cross validation – including the proportion of the validation data set and the number of folds for cross validation – and the objective function depending on the level of the target variable.

Autotuning searches for the best combination of the neural network parameters. **Performing autotuning can substantially increase run time.**

Autotuning runs based on some options, which limit the search of all possible combinations in terms of the neural network parameters.

Number of Hidden Layers specifies whether to autotune the number of hidden layers. It ranges from 1 to 5. The default initial value is 1. The default range is from 0 to 2.

Number of Neurons specifies whether to autotune the number of neurons. It ranges from 1 to 1000. The default initial value is 1. The default range is from 1 to 100.

L1 Weight Decay specifies whether to autotune the L1 weight decay parameter. It penalizes the absolute value for the weights. Different values of L1 are tried between the range defined by From and To. The default initial value for the L1 is 0. The default range is from 0 to 10.

L2 Weight Decay specifies whether to autotune the L2 weight decay parameter. It penalizes the square value for the weights. Different values of L2 are tried between the range established by From and To. The default initial value for the L2 is 0. The default range is from 0 to 10.

Learning Rate specifies whether to autotune the learning rate for the hidden layers. It controls the size of the weight changes. It ranges from 0 (exclusive) to 1. The default initial value is 0.001. The default for the range is from 0.01 to 0.1. It works just for the SGD algorithm.

Annealing Rate specifies whether to autotune the annealing rate for the hidden layers. It automatically reduces the learning rate as SGD progresses. The default initial value is 0.001. The default range is from 0.000001 to 0.1. It works just for the SGD algorithm.

Search Options specifies the options for autotuning searching. The following options are available:

- **Bayesian** uses priors to seed the iterative optimization.
- **Genetic algorithm** uses an initial Latin hypercube sample that seeds a genetic algorithm. The genetic algorithm generates a new population of alternative configurations at each iteration.
- **Grid** uses the lower bound, upper bound, and midrange values for each autotuned parameter, with the initial value (or values) used as the baseline model.
- **Latin hypercube sample** performs an optimized grid search that is uniform in each tuning parameter, but random in combinations.
- **Random** generates a single sample of purely random configurations.

Number of evaluations per iteration specifies the number of tuning evaluations in one iteration. This option is available only if the Search method is Genetic algorithm or Bayesian. The default value is 10. It ranges from 2 to 2,147,483,647.

Maximum number of evaluations specifies the maximum number of tuning evaluations. This option is available only if the Search method is Genetic algorithm or Bayesian. The default value is 50. It ranges from 3 to 2,147,483,647.

Maximum number of iterations specifies the maximum number of tuning iterations. This option is available only if the Search method is Genetic algorithm or Bayesian. The default value is 5. It ranges from 1 to 2,147,483,647.

Sample size specifies the sample size. This option is available only if the Search method is Random or Latin Hypercube sample. The default value is 50. It ranges from 2 to 2,147,483,647.

There are some general options associated with the autotuning search.

Validation method specifies the validation method for finding the objective value. If your data is partitioned, then that partition is used. Validation method, Validation data proportion, and Cross validation number of folds are all ignored.

- **Partition** specifies using the partition validation method. With partition, you specify proportions to use for randomly assigning observations to each role.
 - **Validation data proportion** specifies the proportion of data to be used for the Partition validation method. The default value is 0.3.
- **K-fold cross validation** specifies using the cross validation method. In cross validation, each model evaluation requires k training executions (on k-1 data folds) and k scoring executions (on one holdout fold). This increases the evaluation time by approximately a factor of k.
 - **Cross validation number of folds** specifies the number of partition folds in the cross validation process (the k defined above). Possible values range from 2 to 20. The default value is 5.

Nominal target objective function specifies the objective function to optimize for tuning parameters for a nominal target. Possible values are average squared error, area under the curve, F1 score, F0.5 score, gamma, Gini coefficient, Kolmogorov-Smirnov statistic, multi-class log loss, misclassification rate, root average squared error, and Tau. The default value is Kolmogorov-Smirnov statistic.

Interval target objective function specifies the objective function to optimize for tuning parameters for an interval target. Possible values are average squared error, mean absolute error, mean squared logarithmic error, root average squared error, root mean absolute error, and root mean squared logarithmic error. The default value is average squared error.

Maximum time (minutes) specifies the maximum time in minutes for the optimization tuner.

Maximum training time for single model (in minutes) specifies the maximum time in minutes for a single model to train. If left blank (the default), there is no maximum time.

4.02 Multiple Choice Question

Which of the following statements is true regarding neural networks?

- a. Neural networks in SAS Visual Data Mining and Machine Learning have a built-in method for selecting useful inputs.
- b. The algorithms in neural networks are guaranteed to converge to a global error minimum.
- c. The initial weight values in a neural network have no impact on whether the optimization algorithm is vulnerable to local minima.
- d. There are two optimization methods available for neural networks in Visual Data Mining and Machine Learning: limited memory Broyden-Fletcher-Goldfarb-Shanno (LBFGS) and stochastic gradient descent (SGD).



Improving a Neural Network Model by Changing the Network Learning and Optimization Parameters

In this demonstration, you change the previous settings of the Neural Network node in the Lesson 4 pipeline. You modify the learning and optimization parameters and compare this model performance to the other model in the pipeline.

1. Recall that the previous model, based on changes in the network architecture, achieved an average squared error of 0.0720 on the VALIDATE partition. This fit statistic showed quite an improvement over the first model built by using the default settings.
Try to improve the neural network performance by changing now some of the default settings assigned to the learning and optimization parameters.
2. Under the Common Optimization Options properties, increase **L1 weight decay** from 0 to **0.01**.
3. Decrease **L2 weight decay** from 0.1 to **0.0001**.

Common Optimization Options

Optimization method:
Automatic

Number of tries:
1

Maximum iterations:
300

Maximum time:
0

Random seed:
12,345

L1 weight decay:
0.01

L2 weight decay:
0.0001

In L1, we penalize the absolute value of the weights. Unlike L2, the weights can be reduced to zero here. Hence, it is very useful when we are trying to compress our model. Otherwise, we usually prefer L2 over it.

Mathematically speaking, weight decay adds a regularization term in order to prevent the coefficients to fit so perfectly as to overfit. The difference between L1 and L2 is that L2 is the sum of the square of the weights, whereas L1 is just the sum of the weights.

4. Run the **Neural Network** node.
5. Open the Results window for the node.
6. Click the **Assessment** tab.

| Target ... | Data Role | Partitio... | Format... | Sum of ... | Averag... |
|------------|-----------|-------------|-----------|------------|-----------|
| churn | TRAIN | 1 | 1 | 39,590 | 0.0664 |
| churn | VALIDATE | 0 | 0 | 16,967 | 0.0699 |

The average squared error for the tuned neural network model is 0.0699 on the VALIDATE partition. This fit statistic is slightly better than the previous model trained in the last demonstration.

7. Close the Results window.
8. Run the entire pipeline and view the results of model comparison.

| Model Comparison | | | | |
|------------------|---------------------|---------------------|-------------|---------------------|
| Champion | Name | Algorithm Name | KS (Youden) | Misclassificatio... |
| ★ | Neural Network | Neural Network | 0.5317 | 0.0832 |
| | Logistic Regression | Logistic Regression | 0.5228 | 0.0845 |

The neural network model is the champion of the pipeline based on default KS(Youden) statistic.

9. Close the Results window.

End of Demonstration



Practice

1. Building a Neural Network

- a. Build a neural network using the Autotune feature. Add a Neural Network node to the Lesson 4 pipeline, below the Variable Selection node. Use the Autotune feature. Explore the settings that are made available when **Autotune** is selected.

Note: This practice might take several minutes to run.

- b. What criteria were selected for the champion model?
 - Number of hidden layers
 - Number of hidden nodes
 - Architecture
 - Optimization technique
- c. How does the autotuned neural network compare to the other models in the pipeline, particularly to the neural network model built during the demonstration? Consider the fit statistic average squared error for this comparison.

End of Practices

4.4 Solutions

Solutions to Practices

Note: Due to the distributed nature of the SAS Viya environment, results might not be reproducible. Your results and answers to the questions in the practice could be different from those provided below.

1. Building a Neural Network

- Build a neural network using the Autotune feature. Add a Neural Network node to the Lesson 4 pipeline, below to the Variable Selection node. Use the Autotune feature. Explore the settings that turn on when **Autotune** is selected.
 - On the Lesson 4 pipeline, right-click the **Variable Selection** node and select **Add child node** \Rightarrow **Supervised Learning** \Rightarrow **Neural Network**.
 - In the properties pane, turn on the **Perform Autotuning** option. The default properties show starting values and ranges that are tried for each property in the neural network model.
 - Right-click the **Neural Network** node and select **Run**. This process might take a few minutes.
 - When the execution is over, right-click the **Neural Network** node and select **Results**.
 - Examine the Results window. Maximize the Autotune Results window and notice the different evaluations performed. Restore the Autotune Results window.

| Autotune Results | | | | | | | |
|------------------|---------------|-------------------------|-------------------------|-------------------|-------------------|----------------------------|-----------------|
| Evaluation | Hidden Layers | Hidden Layer 1: Neurons | Hidden Layer 2: Neurons | L1 Regularization | L2 Regularization | Kolmogorov-Smirnov Stat... | Time in Seconds |
| 0 | 1 | 1 | 0 | 0 | 0 | 0.1503 | 0.6002 |
| 54 | 1 | 76 | 0 | 0 | 0.0010 | 0.5930 | 49.5721 |
| 19 | 1 | 51 | 0 | 0 | 0.0010 | 0.5923 | 54.6447 |
| 33 | 1 | 51 | 0 | 0 | 0.0010 | 0.5923 | 90.3571 |
| 34 | 1 | 51 | 0 | 0 | 0.0010 | 0.5923 | 71.7509 |
| 49 | 1 | 51 | 0 | 0 | 0.0010 | 0.5923 | 78.6632 |
| 50 | 1 | 51 | 0 | 0 | 0.0010 | 0.5923 | 79.3992 |
| 53 | 1 | 51 | 0 | 0 | 0.0000 | 0.5908 | 66.1407 |
| 36 | 1 | 51 | 0 | 0 | 0 | 0.5903 | 84.5124 |
| 31 | 1 | 100 | 0 | 0 | 0.0010 | 0.5855 | 96.1050 |
| 40 | 1 | 46 | 0 | 0.0000 | 0.0008 | 0.5801 | 94.6197 |

- 6) Scroll down and maximize the Output window. This output shows the set of parameters selected for the final neural network model.

| The SAS System | |
|---------------------------------------|--------------|
| The NNET Procedure | |
| Model Information | |
| Model | Neural Net |
| Number of Observations Used | 39590 |
| Number of Observations Read | 39590 |
| Target/Response Variable | churn |
| Number of Nodes | 125 |
| Number of Input Nodes | 47 |
| Number of Output Nodes | 2 |
| Number of Hidden Nodes | 76 |
| Number of Hidden Layers | 1 |
| Number of Weight Parameters | 3648 |
| Number of Bias Parameters | 78 |
| Architecture | MLP |
| Seed for Initial Weight | 12345 |
| Optimization Technique | LBFGS |
| Number of Neural Nets | 1 |
| Objective Value | 0.9419246536 |
| Misclassification Rate for Validation | 0.0677 |

- 7) Click the **Assessment** tab. Scroll down and observe the Fit Statistics window. The average squared error for the Autotune model is 0.0587 on the VALIDATE partition.

| Target ... | Data Role | Partitio... | Format... | Sum of ... | Averag... |
|------------|-----------|-------------|-----------|------------|-----------|
| churn | TRAIN | 1 | 1 | 39,590 | 0.0604 |
| churn | VALIDATE | 0 | 0 | 16,967 | 0.0587 |

- b. What criteria were selected for the champion model?
- Number of hidden layers: **1**
 - Number of hidden nodes: **76**
 - Architecture: **MLP**
 - Optimization technique: **LBFGS**
- c. How does the autotuned neural network compare to the other models in the pipeline, particularly to the neural network model built during the demonstration? Consider the fit statistics average squared error for this comparison.

The model's performance on average squared error is better than that of the neural network built in the lesson demonstration.

End of Solutions

Solutions to Activities and Questions

4.01 Multiple Choice Question – Correct Answer

Which of the following statements is true regarding neural networks?

- a. Neural networks are one of the slowest scoring models.
- b. Neural networks cannot handle large volumes of data.
- c. Neural networks are most appropriate for pure prediction tasks.
- d. Neural networks perform well when the signal-to-noise ratio is low.

4.02 Multiple Choice Question – Correct Answer

Which of the following statements is true regarding neural networks?

- a. Neural networks in SAS Visual Data Mining and Machine Learning have a built-in method for selecting useful inputs.
- b. The algorithms in neural networks are guaranteed to converge to a global error minimum.
- c. The initial weight values in a neural network have no impact on whether the optimization algorithm is vulnerable to local minima.
- d. There are two optimization methods available for neural networks in Visual Data Mining and Machine Learning: limited memory Broyden-Fletcher-Goldfarb-Shanno (LBFGS) and stochastic gradient descent (SGD).

Lesson 5 Support Vector Machines and Additional Topics

| | |
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| Demonstration: Building a Support Vector Machine Based on Default Settings | 5-10 |
| 5.2 Methods of Solution | 5-14 |
| Demonstration: Changing the Methods of Solution for a Support Vector Machine | 5-20 |
| 5.3 Nonlinear Classifier: Kernel Trick | 5-21 |
| Demonstration: Changing the Kernel Function for a Support Vector Machine and Adding Model Interpretability | 5-31 |
| Practice | 5-43 |
| 5.4 Additional Tools | 5-44 |
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| 5.5 Solutions | 5-61 |
| Solutions to Practices | 5-61 |
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5.1 Large-Margin Linear Classifier

Essential Discovery Tasks



- Select an algorithm.
- Improve the model.
- Optimize complexity of the model.
- Regularize and tune hyperparameters of the model.

3

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Support vector machines are the newest of the machine learning models that are presented in this course. Therefore, they apply to the model component under the Discovery phase of the analytics life cycle. Like neural networks, these models tend to be black boxes (that is, harder to interpret), but they are very flexible. Support vector machines automatically discover any relationship between the inputs and the target, which means that you do not need to specify the relationship before modeling. Unlike trees and neurons, a support vector is not something that most people can visualize. In this lesson, you learn what a support vector is and how to build support vector machine models.

Support Vector Machines (SVMs)

Support Vector Machine



- decision
- rank
- estimate

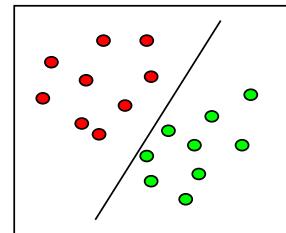
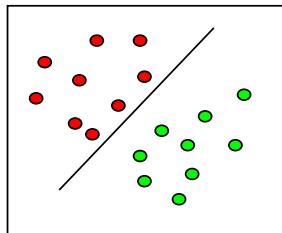
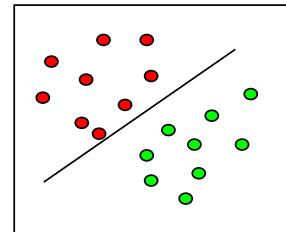
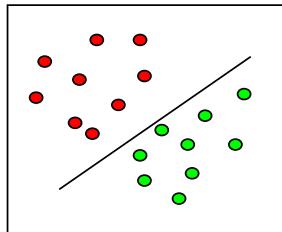
4
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Support vector machine (SVMs) were originally developed for pure classification tasks to solve pattern recognition problems. In other words, the model makes decision predictions instead of ranks or estimates. In the basic example shown here, a support vector machine separates the outcomes of a binary target into two classes, red and green. They have since expanded and now can be used for regression tasks as well (Vapnik, Golowich, and Smola). However, in Model Studio, currently only classification tasks are possible for binary targets and can provide decisions, ranks, and probability estimates.

Support vector machines have been broadly used in fields such as image classification, handwriting recognition, financial decision, and text mining.

How Do You Classify Red versus Green?



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In this simple illustration, the goal is to classify red (the dots in the upper left on the slide above) versus green (in the lower right). There are many classification rules (lines) that could be used to perfectly separate the red and green cases. In fact, when data are perfectly linearly separable, as is the case above, there are infinitely many solutions. So how will a unique solution be discovered?

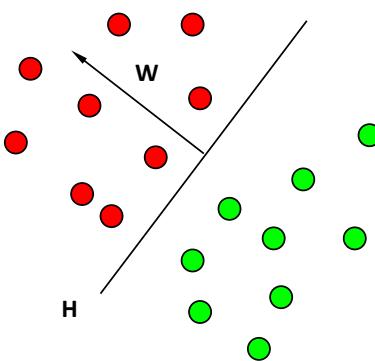
Given two input variables (as shown above), the support vector machine is a line. Given three input variables, the support vector is a plane. And with more than three input variables, the support vector is a hyperplane.

Linear Separation of the Training Data

- A separating hyperplane H is given by the following:
 - the normal vector w
 - an additional parameter, b , called *bias*

$$H = \left\{ \underbrace{\langle w, x \rangle}_\text{Dot product} + b = 0 \right\}$$

Dot product



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For mathematical convenience, the binary target is defined by values +1 and -1, rather than the usual 1 and 0. The renumbering is done automatically by Model Studio. Because the linear separator equals 0, classification is determined by a point falling on the positive or negative side of the line.

This is a simple linear problem to start with. Finding the best solution to a linear classification problem is a mathematical problem, so let's look at the mathematical definition of a support vector machine model. Later, you see a more complex nonlinear problem. In the illustration above, think of the vector w as the mechanism that affects the slope of H . The bias parameter, b , is the measure of offset of the separating line (or plane, in higher dimensions) from the origin.

A dot product is a way to multiply vectors that result in a scalar, or a single number, as the answer. It is an element-by-element multiplication and then a sum across the products. Consider the following example:

$$\text{If } \underline{a} = \begin{bmatrix} a_1 \\ a_2 \\ a_3 \end{bmatrix} \text{ and } \underline{b} = \begin{bmatrix} b_1 \\ b_2 \\ b_3 \end{bmatrix} \text{ then } \langle \underline{a}, \underline{b} \rangle = a_1 b_1 + a_2 b_2 + a_3 b_3.$$

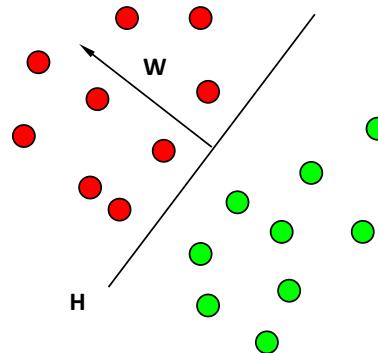
Training versus Prediction

- Training:

Select w and b in such a way that the hyperplane separates the training data – that is, construction of a hyperplane.

- Prediction of the class for a new observation:

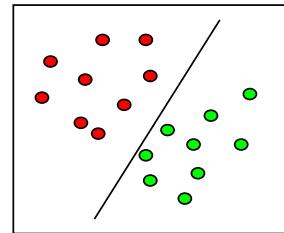
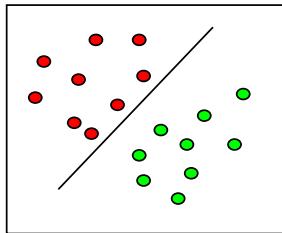
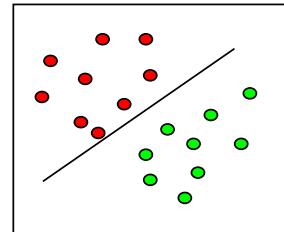
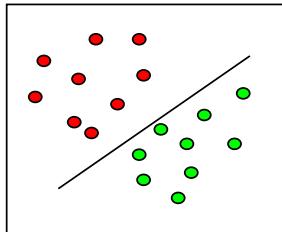
On which side of the hyperplane (+/-) is the new data point located?



sas

Data points located in the direction of the normal vector are diagnosed as positive. Data points on the other side of the hyperplane are diagnosed as negative.

Which Hyperplane Is the Best One?



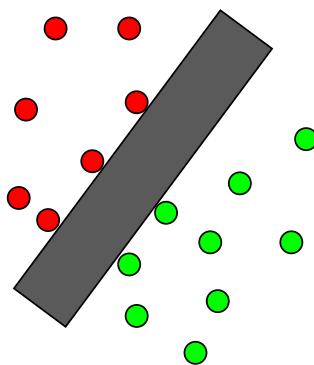
8

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Here again is the simple illustration shown a few slides ago. If the data points are *linearly separable*, then an infinite number of separating hyperplanes (that is, classification rules) exist.

A “Fat” Hyperplane



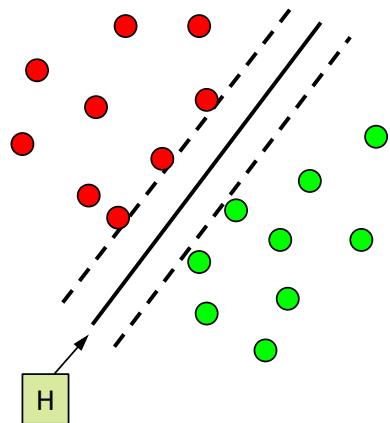
9

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The starting point to get to a unique solution is to think of a “fat” hyperplane. This leads to a separator that has the largest margin of error, essentially wiggle room, on either side.

A Maximum-Margin Hyperplane



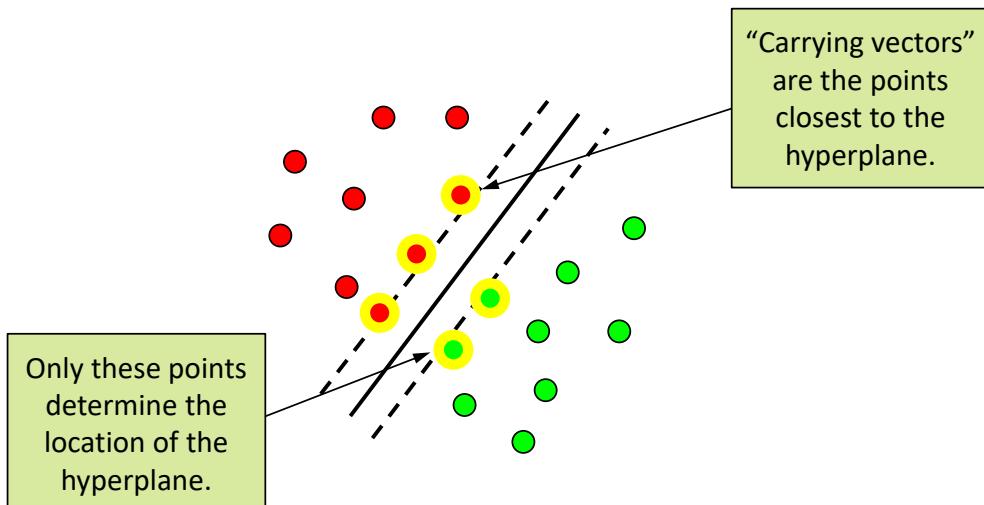
10

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Among all these hyperplanes, only one of them has the maximum margin. It is essentially the median of the fat hyperplane.

What Are the Support Vectors?



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Here is the normal vector for the maximum-margin separating hyperplane:

$$w = \sum_{i=1}^{\#sv} \alpha_i y_i x_i^{sv}$$

(The mathematical details of this solution are provided in the next section.)

The properties of the maximum-margin hyperplane are described by the support vectors. The construction of the maximum-margin hyperplane is not explicitly dependent on the dimension of the input space. Because of this, the curse of dimensionality is avoided. The curse of dimensionality states that the more input variables a model uses, the more data points are needed to fit the model. In the illustration above, only the five points that are the carrying vectors are used to determine w .

5.01 Question

Because only the observations closest to the separating hyperplane are used to construct the support vector machine, the curse of dimensionality is reduced.

- True
- False



Building a Support Vector Machine Based on Default Settings

In this demonstration, you create a new pipeline using the CPML Demo Pipeline and add a Support Vector Machine node to it. You build the support vector machine model using the default settings of the node.

1. Click the plus sign (+) next to the Lesson 4 pipeline tab to add a new pipeline.
2. In the New Pipeline window, enter **Lesson 5** in the **Name** field, access the menu under the **Select a pipeline template** property, and select **CPML Demo Pipeline**.

New Pipeline

Name *

Description:

Select a pipeline template

CPML Demo Pipeline

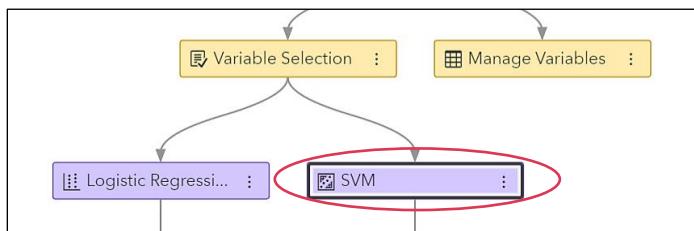
Automatically generate the pipeline

Set automation time limit

15 minutes

OK Cancel

3. Click **OK**.
4. In the Lesson 5 pipeline, right-click the **Variable Selection** node and select **Add child node** \Rightarrow **Supervised Learning** \Rightarrow **SVM**.



5. Keep all properties for the support vector machine at their defaults.
6. Run the **SVM** node.
7. Open the results for the support vector machine model.

There are several charts and plots to help you evaluate the model's performance. The first table is Fit Statistics, which presents the support vector machine's performance considering several assessment measures.

| Fit Statistics | | |
|----------------|----------|------------|
| Statistic | Training | Validation |
| Accuracy | 0.9169 | 0.9154 |
| Error | 0.0831 | 0.0846 |
| Sensitivity | 0.3846 | 0.3847 |
| Specificity | 0.9905 | 0.9887 |

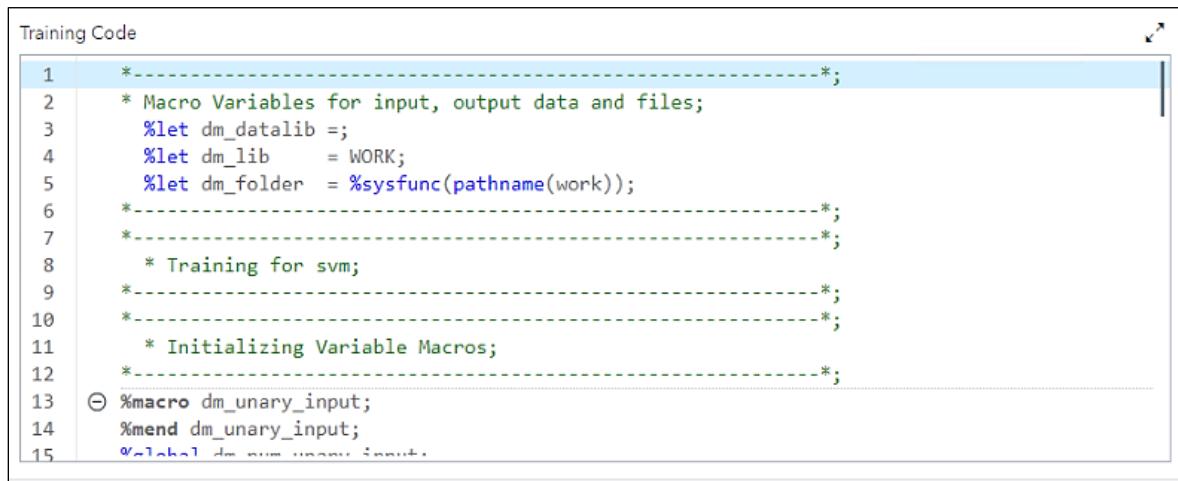
The *Training Results* table shows the parameters for the final support vector machine model, such as the support vectors and the margin, among others.

| Training Results | | |
|------------------|-------------------------------------|------------|
| Statistic | Description | Value |
| WW | Inner Product of Weights | 43.6941 |
| Beta | Bias | 0.0672 |
| TotalSlack | Total Slack (Constraint Violations) | 8,794.5304 |
| LongVector | Norm of Longest Vector | 2.8267 |
| nSupport | Number of Support Vectors | 39,590 |
| nSupportInM | Number of Support Vectors on Margin | 0 |
| MaximumF | Maximum F | 3.2365 |
| MinimumF | Minimum F | -3.7650 |

The *Path EP Score Code* window shows the final score code that can be deployed in production.

```
Path EP Score Code
1  ⊕ data sasep.out;
2      dcl double "REP_BILL_DATA_USG_M03" having label n'Replacement: 3M Avg Billed Data Usag
3      dcl double "REP_BILL_DATA_USG_M06" having label n'Replacement: 6M Avg Billed Data Usag
4      dcl double "REP_CALLS_IN_OFFPK" having label n'Replacement: Calls Incoming Off-Peak' f
5      dcl double "REP_CALLS_IN_PK" having label n'Replacement: Calls Incoming Peak' format C
6      dcl double "REP_CALLS_OUT_OFFPK" having label n'Replacement: Calls Outgoing Off-Peak'
7      dcl double "REP_CALLS_OUT_PK" having label n'Replacement: Calls Outgoing Peak' format
8      dcl double "REP_DATA_DEVICE_AGE" having label n'Replacement: Avg Age of Devices on Pla
9      dcl double "REP_LIFETIME_VALUE" having label n'Replacement: Lifetime Value' format DOL
10     dcl double "REP_MB_DATA_NDIST_M06M" having label n'Replacement: 6M Avg Billed Data Usa
11     dcl double "REP_MB_DATA_USG_N01" having label n'Replacement: MB Data Usage 1 Mth Prior
12     dcl double "REP_MB_DATA_USG_N02" having label n'Replacement: MB Data Usage 2 Mths Prio
13     dcl double "REP_MB_DATA_USG_M03" having label n'Replacement: MB Data Usage 3 Mths Prio
14     dcl double "REP_MB_DATA_USG_ROAMM01" having label n'Replacement: MB Data Usage Roam 1
15
```

Similarly, the *Training Code* window shows the train code that can be used to train the model based on different data sets or on different platforms.



```

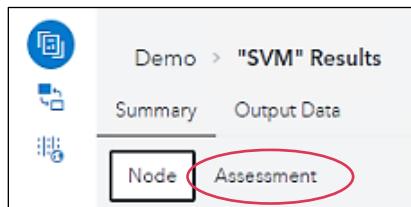
Training Code
1   *-----*;
2   * Macro Variables for input, output data and files;
3   %let dm_datalib =;
4   %let dm_lib    = WORK;
5   %let dm_folder = %sysfunc(pathname(work));
6   *-----*;
7   *-----*;
8   * Training for svm;
9   *-----*;
10  *-----*;
11  *-----*;
12  *-----*;
13  @%macro dm_unary_input;
14  %mend dm_unary_input;
15  @----- dm_unary_input.

```

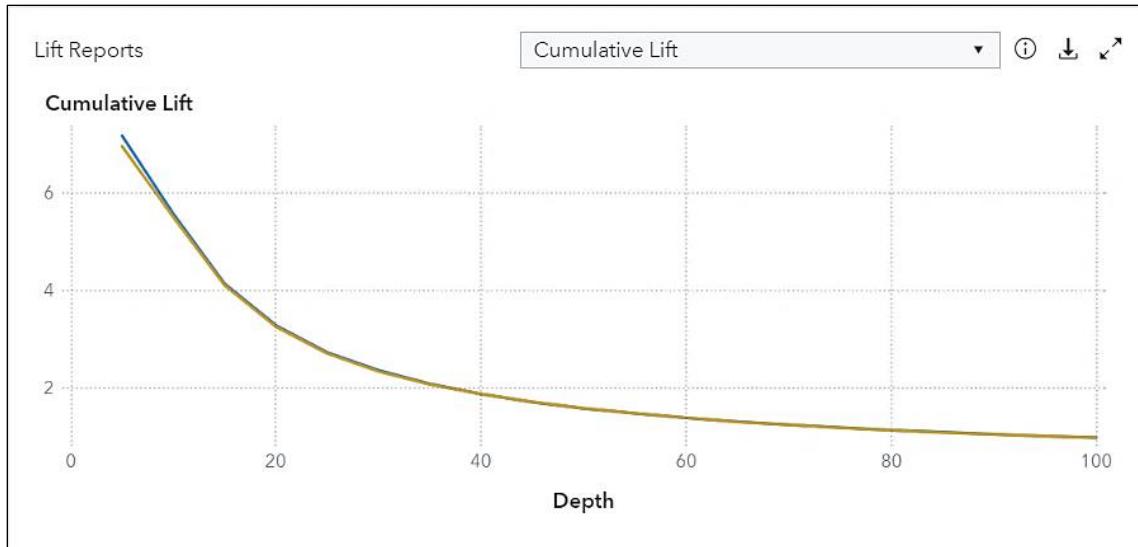
Finally, the *Output* window shows the final support vector machine model parameters, the training results, the iteration history, the misclassification matrix, the fit statistics, and the predicted probability variables.

| The SAS System | |
|-------------------------|----------------|
| The SVMACHINE Procedure | |
| Model Information | |
| Task Type | C_CLAS |
| Optimization Technique | Interior Point |
| Scale | YES |
| Kernel Function | Linear |
| Penalty Method | C |
| Penalty Parameter | 1 |
| Maximum Iterations | 25 |
| Tolerance | 1e-06 |

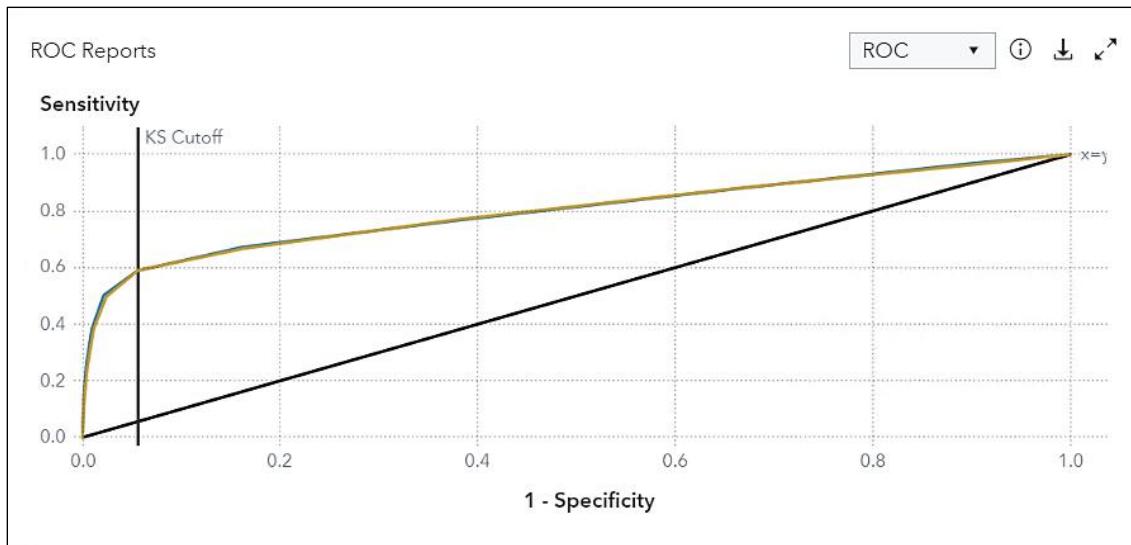
- Click the **Assessment** tab.



The first chart is *Lift Reports*, which by default shows *Cumulative Lift*. Cumulative Lift shows the model's performance ordered by the percentage of the population. This chart is very useful for selecting the model based on a particular target of the customer base. It shows how much better the model is than the random events.



For a binary target, you also have the **ROC Reports** output, which shows the model's performance in terms of ROC curve by considering the true positive rate and the false positive rate. It is good to foresee the performance on a specific business event when all positive cases are selected. It shows that the model's performance based on the positive cases were predicted right and the positive cases were predicted wrong.



Finally, you have the Fit Statistics output, which shows the model's performance based on some assessment measures, such as average squared error.

| Target ... | Data Role | Partitio... | Format... | Sum of ... | Averag... |
|------------|-----------|-------------|-----------|------------|-----------|
| churn | TRAIN | 1 | 1 | 39,590 | 0.1164 |
| churn | VALIDATE | 0 | 0 | 16,967 | 0.1169 |

The Fit Statistics table shows an average squared error of 0.1169 on the VALIDATE partition.

- Close the Results window.

End of Demonstration

5.2 Methods of Solution

Essential Discovery Tasks



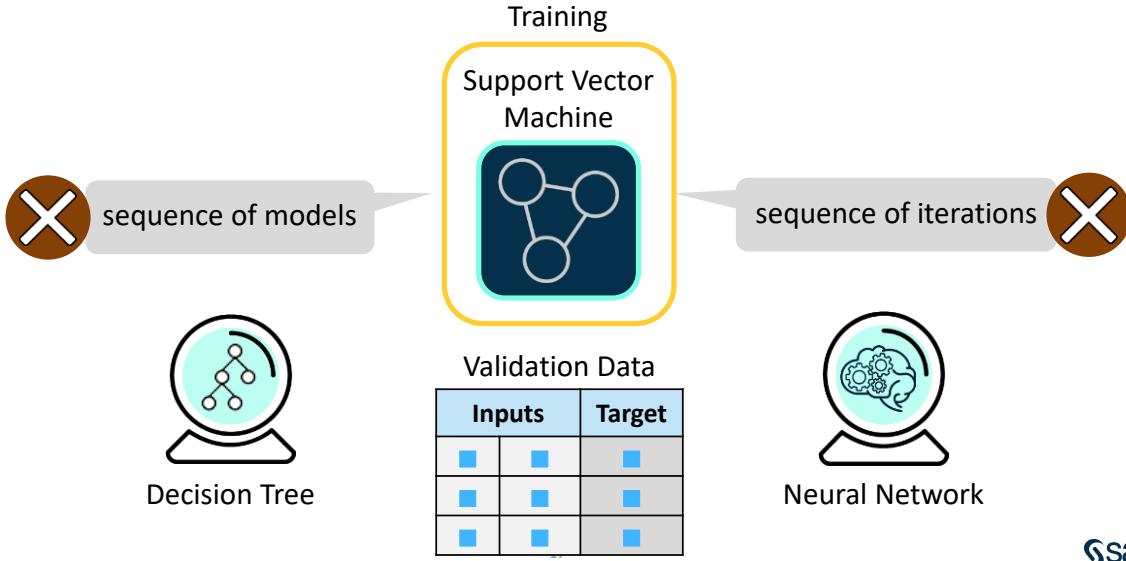
- Select an algorithm.
- Improve the model.
- Optimize complexity of the model.
- Regularize and tune hyperparameters of the model.

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Now that we have built a support vector machine model using the default settings, we are ready to refine it. For support vector machines, there is no clear distinction between the next two Discovery tasks: improving the model and optimizing complexity. One of the methods to improve support vector machine models is by changing the kernel functions and the penalty.

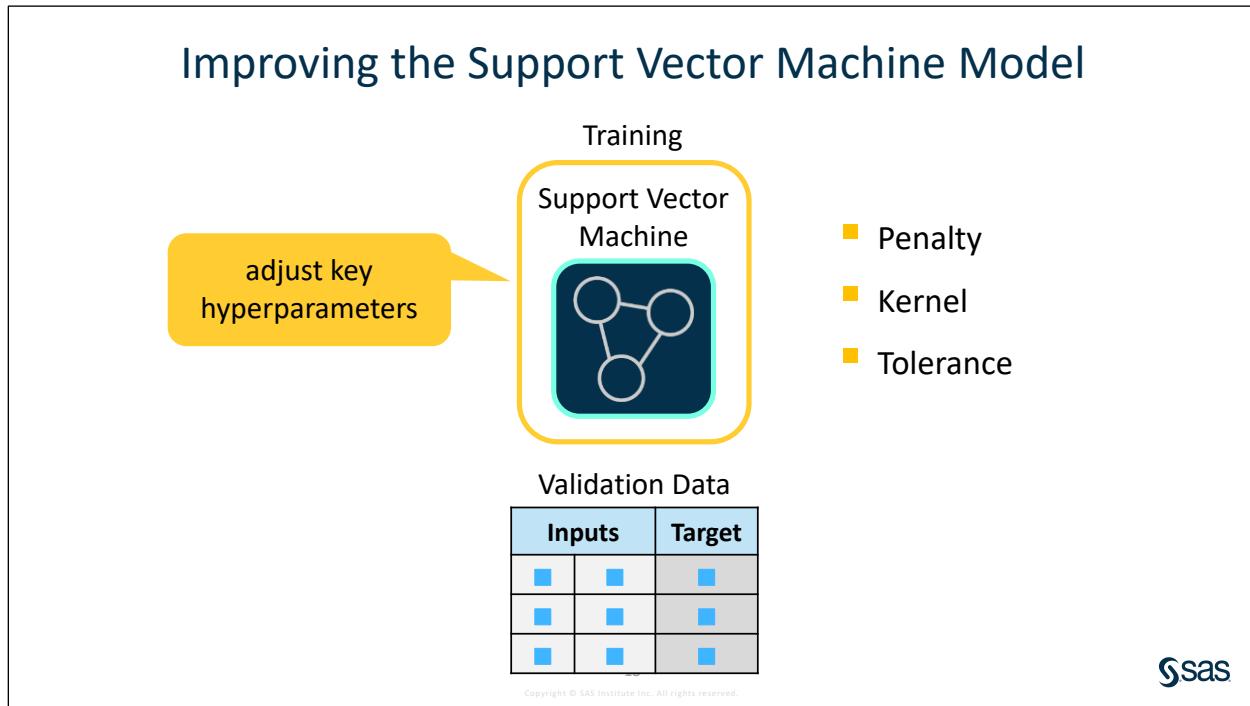
Improving the Support Vector Machine Model



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Training a support vector machine does not involve a sequence of models, as with decision trees, or a sequence of iterations, as with neural networks. This means that, for support vector machines, there is no way to optimize complexity by assessing performance on validation data across multiple models or iterations.



Instead, you can adjust a few key hyperparameters and then look at the performance of the support vector machine model on validation data. In this lesson, you learn to increase the flexibility of a support vector machine model by modifying the settings of three critical options in Model Studio: penalty, kernel, and tolerance. The penalty is a term that accounts for misclassification errors in model optimization. The kernel is a mathematical function that operates as a dot product on transformed data in a higher dimension. The tolerance value balances the number of support vectors and model accuracy.

Optimization Problem

The solution for finding the separating hyperplane H becomes an *optimization* problem under two constraints:

Constraint 1:

If the target is 1, then H must be greater than or equal to 1.

1

Constraint 2:

If the target is -1, then H must be less than or equal to -1.

-1

The binary target is written as +/- 1 for mathematical convenience.

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If the target variable equals 1, then H must be greater than or equal to 1. If the target is -1, then H must be less than or equal to -1. The optimal hyperplane satisfies these conditions and also has minimal norm.

Optimization Problem

The two constraints can be combined into a single constraint:

The product of the target and H must be greater than or equal to 1 for all cases.

1

-1

20



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The denoting of the binary target as +1 or -1 is simply for ease in mathematical details. This trick enables the combination of the two constraints into a single constraint. Optimization problems with a single constraint are mathematically easier to solve than optimization problems under two constraints.

Details:

Mathematically, these constraints are written as follows:

$$\langle w, x_i \rangle + b \geq 1$$

if $y_i = 1$ and

$$\langle w, x_i \rangle + b \leq -1$$

if $y_i = -1$.

However, these two constraints can be combined into a single constraint where

$$y_i \cdot (\langle w, x_i \rangle + b) \geq 1$$

for $i = 1, 2, \dots, n$.

The width of this *maximum margin hyperplane* is determined by the usual calculation of a point to a line. In general, the distance from a point (x_0, y_0) to a line $Ax + By + C = 0$ is given by $|Ax_0 + By_0 + C|/\sqrt{A^2 + B^2}$.

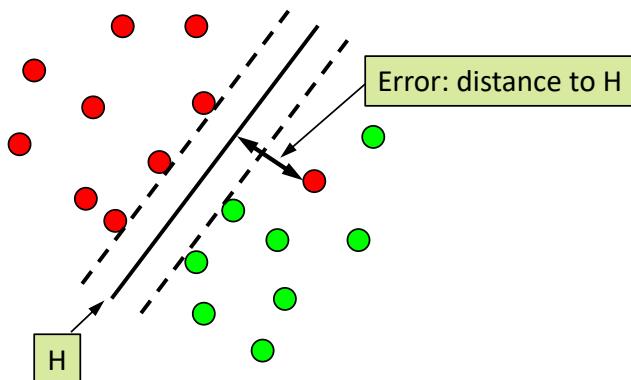
Using this calculation, the maximum margin hyperplane is found by maximizing $2/\|w\|$, where $\|w\|$ is the *norm* of the vector w , which is defined as $\|w\| = \sqrt{w'w}$. The norm of a vector is a measure of length.

Maximizing $2/\|w\|$ is equivalent to minimizing $\|w\|$. Because $\|w\|$ is defined by using a square root, it becomes mathematically simpler to minimize the square of $\|w\|$. The solution is the same.

Training Data Not Linearly Separable

Errors are accounted for during the optimization process:

- Penalty: $C * (\text{distance to hyperplane})$



- C is an error weight (regularization parameter).

If the data points are not linearly separable, we have a so-called *soft margin* hyperplane. In this case, we need to account for errors that the separating hyperplane might make. During the optimization process, the distance between a point in error and the hyperplane is typically denoted by ξ .

For large values of C, the optimization chooses a smaller-margin hyperplane if that hyperplane does a better job of getting all the training points classified correctly. Conversely, a very small value of C causes the optimizer to look for a larger-margin separating hyperplane, even if that hyperplane misclassifies more points. For very tiny values of C, you should get misclassified examples, often even if your training data is linearly separable.

Details: The Solution

Given the need to account for errors, the optimization problem is solved by minimizing

$$\|w\|^2 + C \cdot \sum_i \xi_i$$

under the single constraint

$$y_i \cdot (\langle w, x_i \rangle + b) \geq 1 - \xi_i, \quad \xi_i \geq 0$$

The method used to solve the optimization problem is the Lagrange approach. Here, Lagrange multipliers $\alpha_i \geq 0$ are introduced. They summarize the problem in a Lagrange function. Constraints: $\xi_i \geq 0$ and $\alpha_i \geq 0$, so you must find the saddle point of the Lagrange function.

For the optimization problem above, the Lagrange function becomes

$$L(w, b, \alpha, \xi) = \frac{1}{2} \|w\|^2 + C \cdot \sum_{i=1}^n \xi_i - \sum_{i=1}^n \alpha_i (\xi_i + y_i (\langle w, x_i \rangle + b) - 1)$$

In order to find the saddle point, $L(w, b, \alpha, \xi)$ is minimized with respect to w , b , and ξ but maximized with respect to α_i .

Self-Study: The Lagrange Approach

Take the following derivatives of the Lagrange function:

$$\frac{\partial}{\partial b} L(w, b, \alpha, \xi) = 0, \quad \frac{\partial}{\partial w} L(w, b, \alpha, \xi) = 0$$

and obtain

$$\sum_{i=1}^n \alpha_i y_i = 0, \quad w = \sum_{i=1}^n \alpha_i y_i x_i$$

This leads to the so-called *dual problem*. Maximize

$$W(\alpha) = \sum_{i=1}^n \alpha_i - \frac{1}{2} \sum_{i,j=1}^n \alpha_i \alpha_j y_i y_j \langle x_i, x_j \rangle$$

under the constraints

$$0 \leq \alpha_i \leq C \quad \text{and} \quad \sum_{i=1}^n \alpha_i y_i = 0$$

After plugging back into the Lagrange function and reformulating, you have the classification function:

$$\begin{aligned} f(x_{new}) &= \text{sign} (\langle w, x_{new} \rangle + b) \\ &= \text{sign} \left(\sum_{i=1}^n \alpha_i y_i \langle x_i, x_{new} \rangle + b \right) \end{aligned}$$



Changing the Methods of Solution for a Support Vector Machine

In this demonstration, you change the default settings of the Support Vector Machine node in the Lesson 5 pipeline. You modify the methods of solution parameters for the Support Vector Machine node.

1. Recall that the average squared error of the previous model, based on the default settings, was 0.1169 on the VALIDATE partition.

Try to improve the support vector machine performance by changing some of the default settings assigned to the methods of solution.

2. Change the **Penalty** property from 1 to **0.1**.

The Penalty (C parameter) tells the SVM optimization how much you want to avoid misclassifying each training example. A smaller value of C causes the optimizer to look for a larger-margin separating hyperplane, even if that hyperplane misclassifies more points. A larger penalty value usually provides a more robust model. However, it might overfit.

3. Run the **Support Vector Machine** node.
4. Open the results for the node.
5. Click the **Assessment** tab. Examine the Fit Statistics window.

| Target ... | Data Role | Partitio... | Format... | Sum of ... | Averag... |
|------------|-----------|-------------|-----------|------------|-----------|
| churn | TRAIN | 1 | 1 | 39,590 | 0.0964 |
| churn | VALIDATE | 0 | 0 | 16,967 | 0.0970 |

6. The average squared error for the tuned support vector machine model is 0.0970 on the VALIDATE partition. This fit statistic is better (smaller) than the first model, which used the default settings.
7. Close the Results window.

End of Demonstration

5.3 Nonlinear Classifier: Kernel Trick

Essential Discovery Tasks



- Select an algorithm.
- Improve the model.
- Optimize complexity of the model.
- Regularize and tune hyperparameters of the model.

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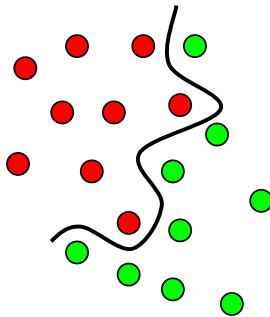
In the previous demonstration, we attempted to refine the model by changing the penalty term. Remember that the penalty term accounts for misclassification errors that inevitably occur when the data are not linearly separable.

Suppose we decide that our model's performance is not yet satisfactory. We want to go beyond a soft-margin classifier. Next, we apply a kernel function to improve classification.

A method to optimize the complexity in support vector machine models is changing the margins.

Problem: Not Linearly Separable Data Points

Input space 2-D



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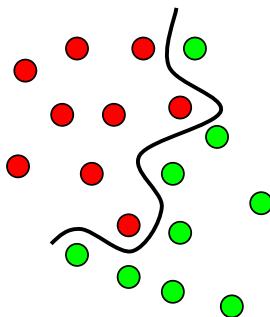
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In most realistic scenarios, not only is data not linearly separable, but a soft margin classifier would make too many mistakes to be a viable solution.

Idea: Feature Space

Input space 2-D



- Feature space is a nonlinear transformation of the input variables into a high-dimensional feature space.
- The maximum-margin hyperplane is constructed in the high-dimensional feature space.

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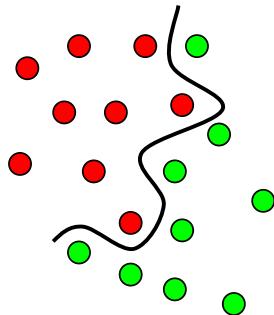
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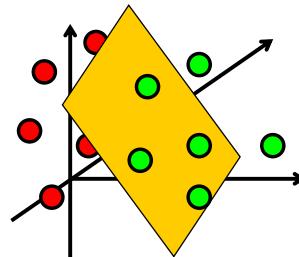
A solution in most real-world cases requires transforming the data to a higher dimension and then finding the maximum margin hyperplane in this higher dimension.

Solution: A Transformation

Input space 2-D



Feature space 3-D



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Here is an example that is not linearly separable in two dimensions, but it is easy to separate in three dimensions. This can be generalized to higher dimensions.

Important Observations

- Estimating the parameters for a support vector machine and classifying a new case both require dot products of the form:

$$\langle x_i, x_j \rangle$$

- The solution in a higher dimension requires dot products on transformed data:

$$\langle \Phi(x_i), \Phi(x_j) \rangle$$

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The original data points occur only in dot products. So whether solving for the parameters of H or when scoring a new observation, the calculations depend on dot products.

Details:

Here is the equation used to solve the Dual Optimization problem:

$$W(\alpha) = \sum_{i=1}^n \alpha_i - \frac{1}{2} \sum_{i,j=1}^n \alpha_i \alpha_j y_i y_j \langle x_i, x_j \rangle$$

Here is the equation used to classify a new case:

$$f(x_{new}) = sign \left(\sum_{i=1}^n \alpha_i y_i \langle x_i, x_{new} \rangle + b \right)$$

Both equations rely on dot products of the data.

For data that are not linearly separable, the data points are transformed to a *feature space* with a function Φ . Then we separate the data points $\Phi(x)$ in the feature space. Usually, the dimension of the feature space is ***much*** higher than the dimension of the input space.

A New Problem Arises

- We want to construct the separating hyperplane in the feature space.
- **Problem:**
Dot Products of the form $\langle \Phi(x_i), \Phi(x_j) \rangle$ are difficult to calculate.

If the classification really is easier in the high-dimensional feature space, you want to construct the separating hyperplane there. This requires dot product calculations in the feature space. This creates a problem because dot products in feature spaces are mathematically difficult to calculate.

Solution: The Kernel Trick

- We use a kernel function, living in the input space, but behaving as a dot product in the feature space:

$$K(x_i, x_j) = \langle \Phi(x_i), \Phi(x_j) \rangle$$

- Trick: We do not have to know $\Phi(x)$ explicitly!

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You can overcome the curse of dimensionality because you need to calculate only inner products between vectors in the feature space. $\Phi(x)$ is the transformation from the input space to the feature space. You do not need to perform the mapping explicitly. If K satisfies Mercer's theorem, it describes an inner product.

Examples of Kernel Functions

- Linear:

$$\mathcal{K}(x_i, x_j) = \langle x_i, x_j \rangle$$

- Polynomial:

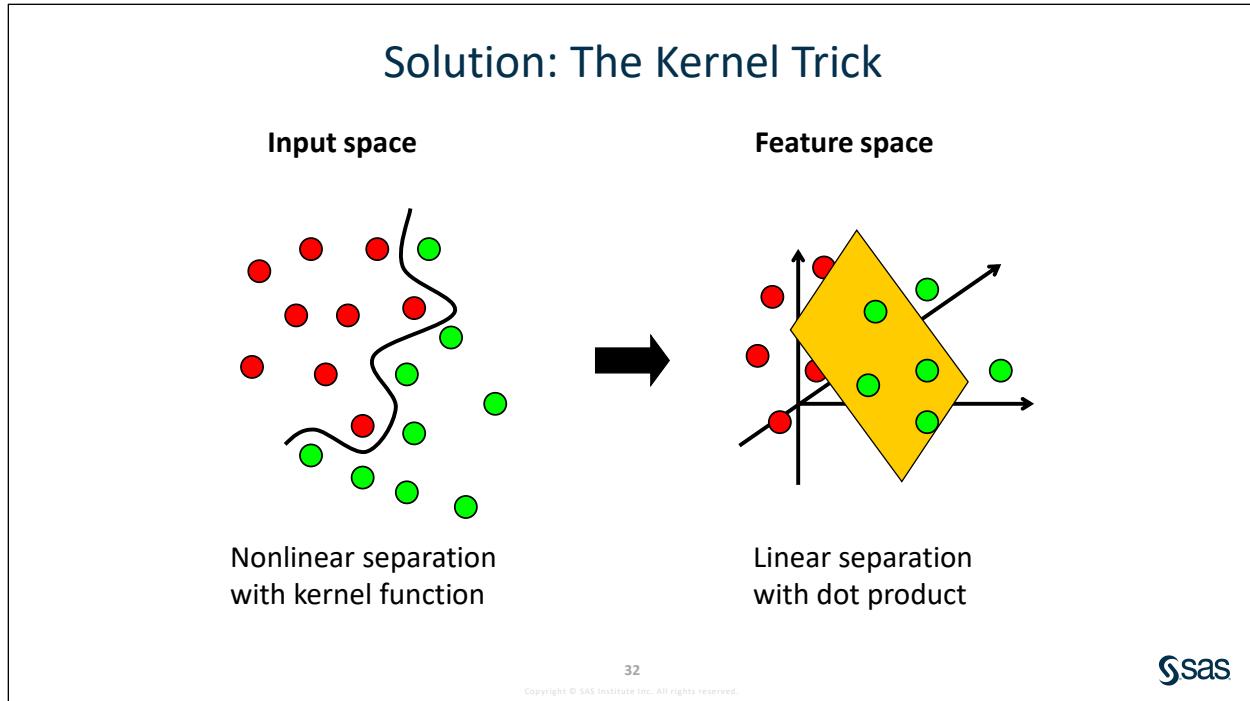
$$\mathcal{K}(x_i, x_j) = (\langle x_i, x_j \rangle)^d$$

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These are the two kernel functions available in Model Studio. Why do we call it a *trick*? You do not have to know exactly what the feature space looks like. It is enough to specify the kernel function as a measure of similarity. You do not perform the exact kernel calculations but consider the result. Still, you have the geometric interpretation in the form of a separating hyperplane (that is, more transparency as for a neural network).



In the slide above, the points are not linearly separable in two dimensions but are in three dimensions. Using a kernel function in the input space when there is nonlinear separation is equivalent to performing dot products in a higher-dimensional feature space that does have linear separation.

Support vector machines can model nonlinear data. Compared to neural networks, at times support vector machines are faster and might not stick to local minima.

Parameters for SVMs for Classification

- The kernel function and its parameters
 - Avoids the explicit mapping that is needed to get linear learning algorithms to learn a nonlinear function or decision boundary.
- The penalty C (regularization term)
 - Balances model complexity and training error. A larger penalty value creates a more robust model at the risk of overfitting the training data.
- The tolerance
 - Balances the number of support vectors and model accuracy. A tolerance value that is too large creates too few support vectors, and a value that is too small overfits the training data.

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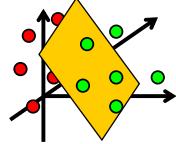
In Model Studio, for polynomial kernels, only degrees of 2 and 3 are available. The kernel function is used for spatial classification.

- Linear $K(u, v) = u^T v$.
- Quadratic $K(u, v) = (u^T v + 1)^2$. The 1 is added to avoid zero-value entries in the Hessian matrix.
- Cubic $K(u, v) = (u^T v + 1)^3$. The 1 is added to avoid zero-value entries in the Hessian matrix.

The penalty value balances model complexity and training error. A larger penalty value creates a more robust model at the risk of overfitting the training data.

The tolerance value balances the number of support vectors and model accuracy. Tolerance is a user-defined value that controls the absolute error of the objective function. A tolerance value that is too large creates too few support vectors, and a value that is too small overfits the training data. The iteration stops if the absolute error is less than or equal to the tolerance value.

Model Interpretability



A support vector machine has a geometric interpretation.



A support vector machine is a black box.



In theory, support vector machines have a geometric interpretation because they are hyperplanes.

However, in practice, many analysts consider support vector machine models to be black boxes, much like neural networks. Thus, there is often a trade-off between model accuracy and model interpretability. Machine learning algorithms are good at generating accurate and generalizable predictive models, but it is often nearly impossible to understand how the algorithms arrived at those predictions or even what the behavior or trend of the model is.

We cannot gain much insight into support vector machines, as well as some other machine learning models, by analyzing the model parameters. However, we can learn a great deal by analyzing the predictions from these models. In the next demonstration, you learn how to use Model Studio's model interpretability feature to interpret your results.

Model Interpretability in Model Studio

| Question | Technique |
|--|---|
| What are the strongest drivers? | Variable Importance |
| How do the important drivers work overall? | Partial Dependence (PD) |
| Are there individual differences? Interactions? | Individual Conditional Dependence (ICE) |
| How are the individual predictions being made? | Local Interpretable Model- agnostic Explanation (LIME) |
| How much is the relative importance of each variable to a given observation's prediction? | Kernel SHAP |

The diagram illustrates the trade-off between Accuracy and Interpretability. Two blue boxes labeled 'Accuracy' and 'Interpretability' are positioned at opposite ends of a horizontal axis. A central blue triangle is labeled 'Machine Learning Models'. A curved blue arrow originates from the bottom right corner of the table above and points towards the 'Interpretability' box.

Machine Learning Models

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There is almost always a trade-off in terms of accuracy versus interpretability. Machine learning algorithms are good at generating very accurate (and generalizable) predictive models using quite complex combinations of mathematical and logical elements. They provide very good predictions, but it can be nearly impossible to understand how they arrived at those predictions or in general what the behavior or trend of the model is. This is a big problem in regulated industries and other applications where it is important to be able to explain ***why*** a model gave a certain answer. So model interpretability (understanding the predictions) is the usual criticism of machine learning models. As machine learning models become more sophisticated, the ability to quickly and accurately interpret these models can diminish.

This criticism stems from the complex parameterizations found in the model. Although it is true that little insight can be gained by analyzing the actual parameters of the model, much can be gained by analyzing the resulting prediction decisions. SAS Visual Data Mining and Machine Learning provides three plots that help users interpret model results:

Partial Dependence – A PD plot depicts the functional relationship between the model inputs and the model's predictions. A PD plot shows how the model's predictions partially depend on the values of the input variables of interest marginally when the predictions are averaged over other variables. To create a one-way PD plot, identify the plot variable. Next, create a replicate of the training data for each unique value of the plot variable. In each replicate, the plot variable is replaced by the current unique value. Finally, score each replicate with your model and compute the average predicted value within each replicate. The final result is a view of how the prediction changes with respect to the plot variable.

PD plots from various machine learning models can also be used for model comparison.

Individual Conditional Expectation – An ICE plot presents a disaggregation of the PD plot to reveal interactions and differences at the observation level. The ICE plot is generated by choosing a plot variable and replicating each observation for every unique value of the plot variable. Then each replicate is scored. SAS Visual Data Mining and Machine Learning creates a segmented ICE plot. A segmented ICE plot is created from a cluster of observations instead of on individual observations.

Local Interpretable Model-Agnostic Explanations – The LIME method provides an explanation for an individual prediction. This is done by fitting a linear regression model around that individual row based on a perturbed set of data. This data set is based on the distribution of the original input data. The sample set is scored by the original model and sample observations are weighted based on proximity to the observation of interest. Next, variable selection is performed using the LASSO technique. Finally, a linear regression is predicted to explain the relationship between the perturbed input data and the perturbed target variable. The final result is an easily interpreted linear regression model that is valid near the observation of interest.

Kernel SHAP – Generally speaking, Shapley values help you determine the relative importance of each variable to a given observation's prediction. In the feature space, Shapley values help you determine where you are, how you got there, and how influential each variable is at that location. This is in contrast to LIME values that help you determine how changes in a variable's value affects the model's prediction. However, LIME and Shapley values should not be directly compared because they measure different behaviors.

Specifically, Kernel SHAP values are the parameter estimates of a weighted linear regression on the predicted probability of the selected observation. These values indicate the most influential variables for a selected observation compared against a reference data set. The reference data set is typically, though not necessarily, the training data.

Note: Each of these plots work for all models and are used to compare results across many different models.

Note: For more details, refer to the following resources:

- a. Blog series "Interpretability" at <https://blogs.sas.com/content/tag/interpretability/>
- b. SAS paper "Interpreting Black-Box Machine Learning Models Using Partial Dependence and Individual Conditional Expectation Plots" by Ray Wright at <https://www.sas.com/content/dam/SAS/support/en/sas-global-forum-proceedings/2018/1950-2018.pdf>
- c. SAS Communities Library "LIME and ICE in SAS Viya 3.4: Interpreting Machine Learning Models" at <https://communities.sas.com/t5/SAS-Communities-Library/LIME-and-ICE-in-SAS-Viya-3-4-Interpreting-Machine-Learning/ta-p/510915>



Changing the Kernel Function for a Support Vector Machine and Adding Model Interpretability

In this demonstration, you change the previous settings of the Support Vector Machine node in the Lesson 5 pipeline. You modify the kernel function and other parameters and compare this model performance to the other model in the pipeline. Later, you use the Model Interpretability capability to add some explanation to the support vector machine model.

- Recall that the previous model, based on changing the penalty term, achieved an average squared error of 0.0970 on the VALIDATE partition. Changing only the penalty term led to a model that was an improvement (at least based on ASE) compared to the SVM model built under the defaults.

Try to improve the support vector machine performance by changing some of the default settings assigned to the kernel function parameters.

- For **Kernel**, change the function from Linear to **Polynomial**. Leave **Polynomial degree** as **2**.

We are just trying to make the hyperplane decision boundary between the classes different by changing the kernel. Linear kernels usually work fine for data that are linearly separable. However, if the data are not linearly separable, a linear kernel does not classify well.

- For **Tolerance**, change 0.000001 to **0.6**. Tolerance specifies the minimum number at which the iteration stops.
- For **Maximum iterations**, change 25 to **10**. This property specifies the maximum number of iterations allowed with each try. In some cases, you can obtain a good model in fewer than five iterations.

| | |
|---------------------|------------|
| Penalty: | 0.1 |
| Kernel: | Polynomial |
| Polynomial degree: | 2 |
| Tolerance: | 0.6 |
| Maximum iterations: | 10 |

- Run the **Support Vector Machine** node.
- Open the results for the node.
- Click the **Assessment** tab. Examine the Fit Statistics window.

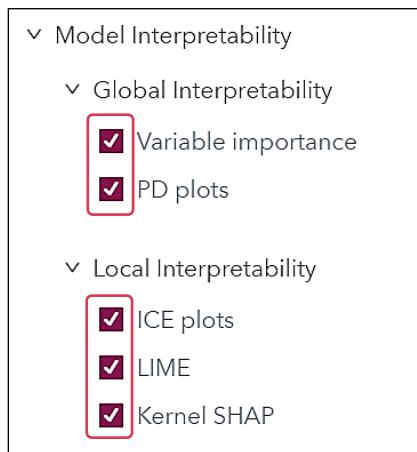
| Target ... | Data Role | Partitio... | Format... | Sum of ... | Averag... |
|------------|-----------|-------------|-----------|------------|-----------|
| churn | TRAIN | 1 | 1 | 39,590 | 0.0926 |
| churn | VALIDATE | 0 | 0 | 16,967 | 0.0937 |

The average squared error for the tuned support vector machine model is 0.0937 on the VALIDATE partition. This fit statistic is slightly better than the previous model.

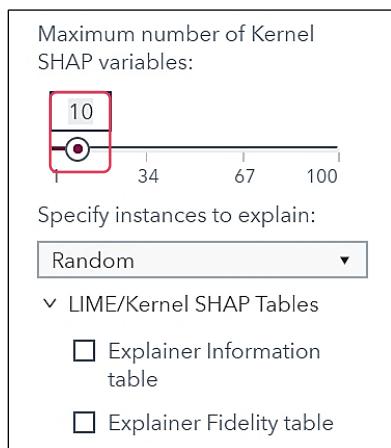
8. Close the Results window.

Some improvement in the model performance has been observed. However, model interpretation is still a challenging task in machine learning models, which include support vector machines.

9. Under **Post-training Properties**, expand **Model Interpretability**. Expand **Global Interpretability** and select the check boxes for **Variable importance** and **PD plots**. Expand **Local Interpretability** and select the check boxes for **ICE plots**, **LIME**, and **Kernel SHAP**.

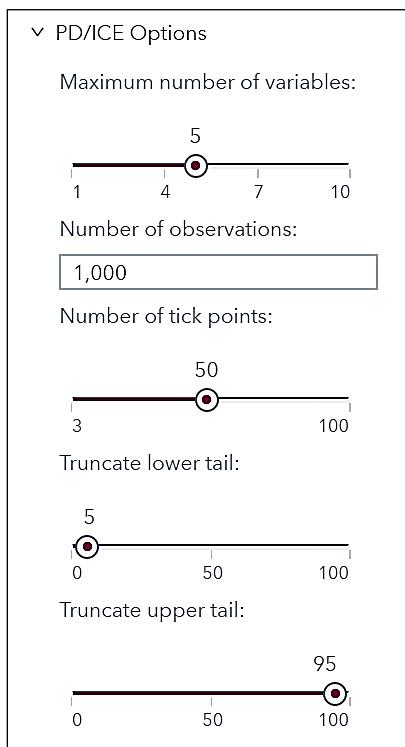


10. Scroll down in the Post-training Properties and change the maximum number of Kernel SHAP variables from 20 to **10**.



This means that 10 inputs are displayed in the chart, ordered by importance according to the absolute Kernel SHAP values. Notice that the **Random** observations option provides explanations for five randomly selected observations. However, you can specify up to five individual observations to explain for LIME, Kernel SHAP, and ICE.

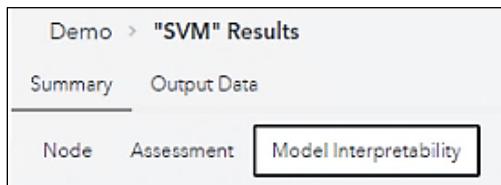
11. Scroll to the bottom of the Post-training Properties and expand **PD/ICE Options**. Explore these options. However, no change is required.



Notice that, by default, a maximum of five input variables are used to generate the PD and ICE plots. The input variables are selected based on their relative importance. The maximum number of observations to sample for the PD and ICE plots is 1000, by default.

When the input variable is interval, its extreme values are eliminated by truncating the lower and upper tails of its distribution. The amount of truncation can be controlled by the properties under **PD/ICE Options**.

12. Run the **Support Vector Machine** node.
13. Open the results for the node.
14. Now you see an additional tab along with the Node and Assessment tabs. Click the **Model Interpretability** tab.



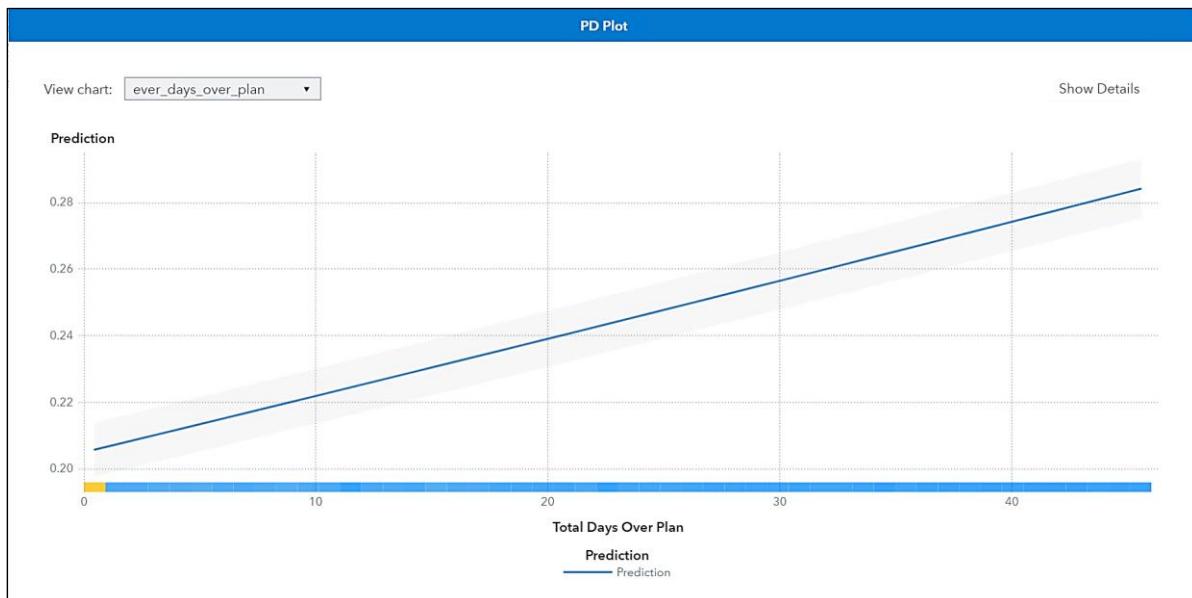
15. Expand the Surrogate Model Variable Importance table.

| Surrogate Model Variable Importance | | | | |
|--|------------------------|---------------------|-------|----------------|
| Variable Label | Variable Name | Relative Importance | Role | Variable Level |
| Total Days Over Plan | ever_days_over_plan | 1 | INPUT | INTERVAL |
| Handset Age Group | handset_age_grp | 0.9146 | INPUT | NOMINAL |
| Delinquent Indicator | delinq_indicator | 0.6440 | INPUT | NOMINAL |
| Transformed MB of Data Usage Month 6 | LOG_MB_Data_Usg_M06 | 0.4131 | INPUT | INTERVAL |
| Number of Times Suspended | times_susp | 0.3311 | INPUT | NOMINAL |
| Days Suspended Last 6M | avg_days_susp | 0.3260 | INPUT | INTERVAL |
| Open Work Orders | wrk_orders | 0.2791 | INPUT | NOMINAL |
| Total Late Payments Lifetime | pymts_late_ltd | 0.2235 | INPUT | NOMINAL |
| Imputed Replacement: Minutes On Network Per | IMP_REP_MOU_ONNET_PCT_ | 0.0491 | INPUT | INTERVAL |

The most important inputs are listed in descending order of their importance. **Total Days Over Plan** appears to be the most important predictor, followed by **Handset Age Group**, and so on. Input relative importance is calculated by depth-one decision trees using each input to estimate the predicted values of the support vector machine model. PD and ICE plots use this table to choose the top predictors.

Note: If the trained model is a tree-based model (decision tree, forest, gradient boosting), PD and ICE uses the model variable importance table to choose the top predictors and both model variable importance and surrogate variable importance tables are provided in Model Interpretability results.

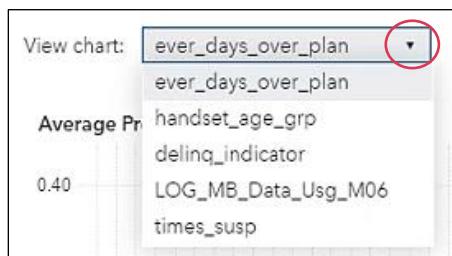
16. Expand the PD Plot.



The partial dependence plot shows the marginal effect of a feature on the predicted outcome of a previously fit model. The prediction function is fixed at a few values of the chosen features and averaged over the other features. A partial dependence plot can show whether the relationship between the target and a feature is linear, monotonic, or more complex. For interval inputs, the 95% confidence interval for the average target prediction is indicated by the shaded band around the line. The X axis includes a heat map that shows the distribution of **Total Days Over Plan**.

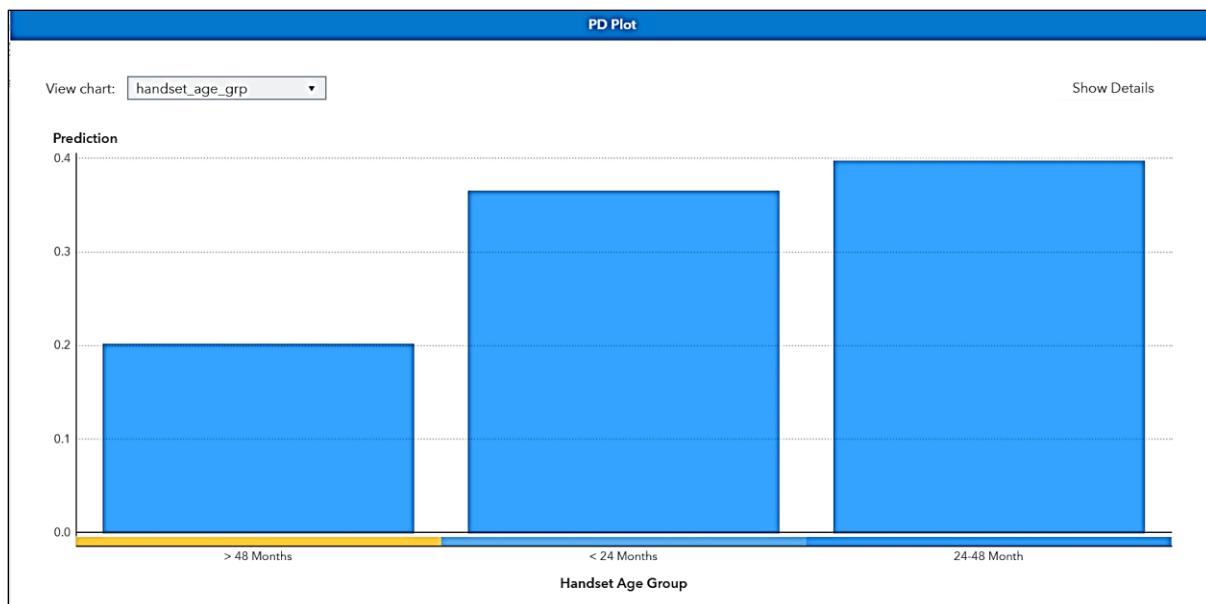
The plot above shows the relationship between **Total Days Over Plan** and the model's prediction. There is a positive linear relationship. On average, the more time (days) that a customer uses their device over their specified plan, there is an increase in the probability of churn. This is an important insight for the business.

- To see the relationship between the model's predictions and other variables, click the drop-down arrow next to **View chart**.



These are the five most important inputs in the model, based on a one-level decision tree for all inputs used to predict the predicted values from the model.

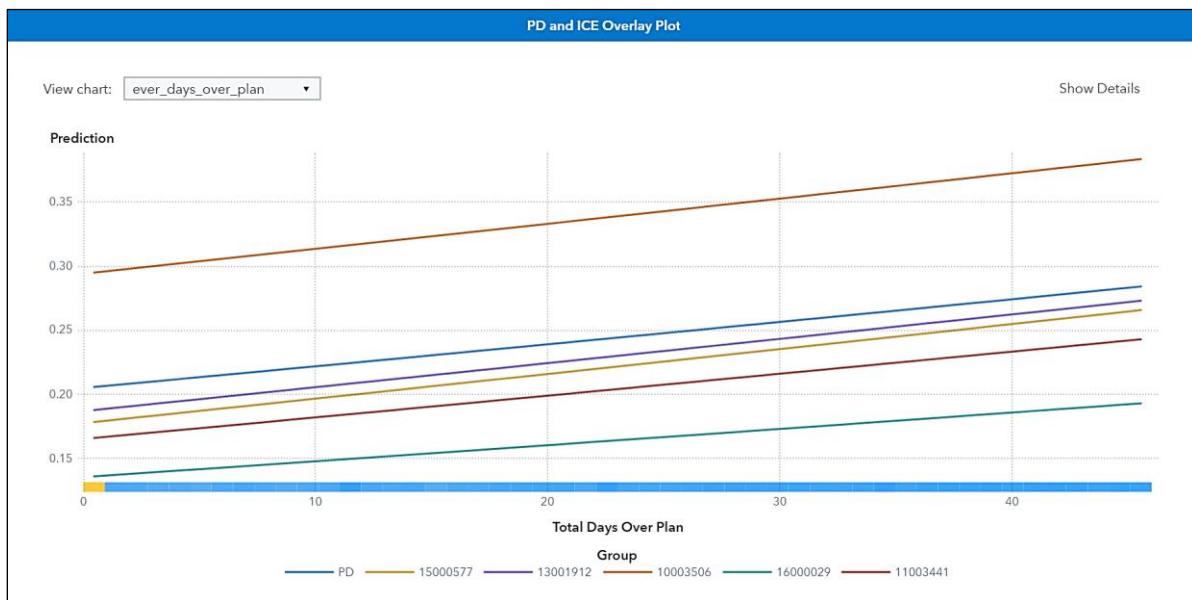
- Select the **Handset Age Group** variable.



This PD plot indicates that there is a decrease in the probability of churn the older the handset is. Does this make business sense?

- Exit the maximized view of the PD plot.

20. Expand the PD and ICE Overlay Plot.

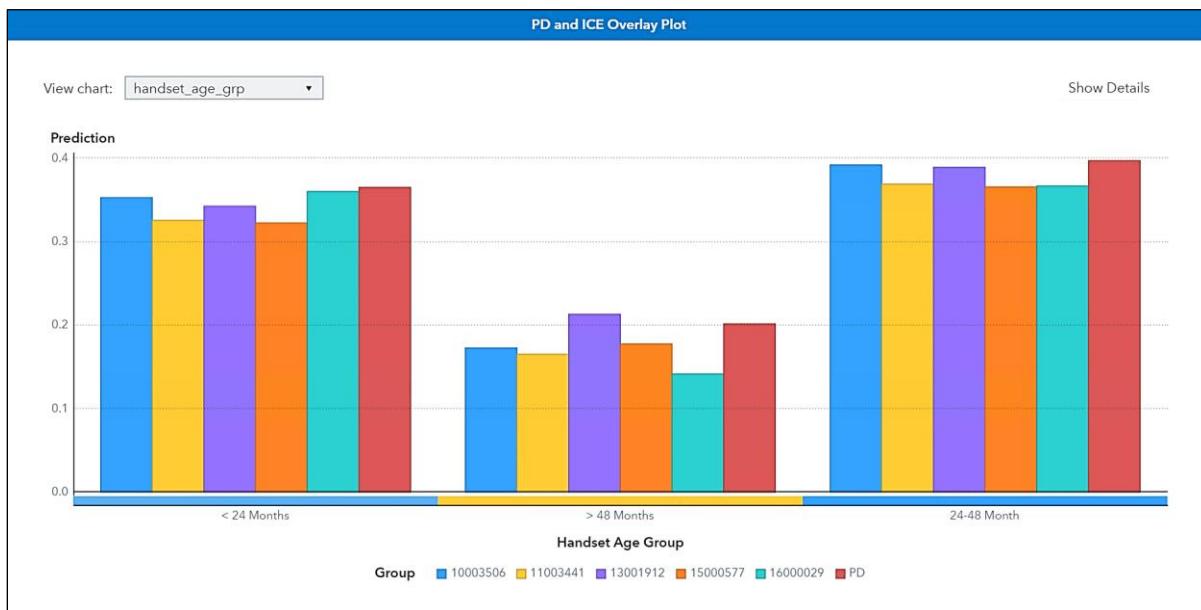


For a chosen feature, ICE plots draw one line per instance, representing how the instance's prediction changes when the feature changes. This plot shows the partial dependency (PD) and the relationship between total days over plan and the predicted target for each individual observation. For each individual observation, the corresponding ICE plot displays values of total days over plan on the X axis and the corresponding prediction for the target variable on the Y axis, holding the other inputs constant at their values for each observation.

The plot indicates that for all the five instances, there is a consistent increase in the probability of churn, for an increase in total days over plan, given that other features are constant.

ICE plots help resolve interesting subgroups and interactions between model variables. The most useful feature to observe when evaluating an ICE plot of an interval input is intersecting slopes. Intersecting slopes indicate that there is an interaction between the plot variable and one or more complementary variables. **Total Days Over Plan** does not show any interactions.

21. Click the drop-down arrow next to **View chart** to see ICE plots of other variables. Select the **Handset Age Group** variable.

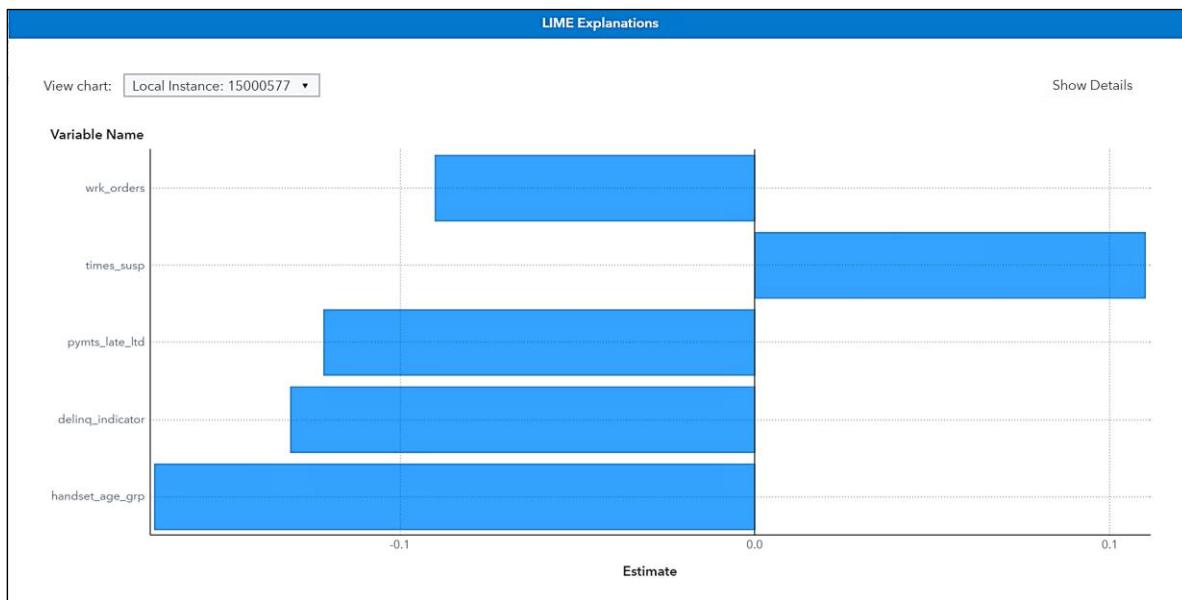


This plot shows the partial dependency (PD) and the relationship between **Handset Age Group** and the predicted target for each individual observation. For each individual observation, the corresponding ICE plot displays values of **Handset Age Group** on the X axis and the corresponding prediction for the target variable on the Y axis, holding the other inputs constant at their values for each observation.

An ICE plot is created on individual observations. The most useful feature to observe when evaluating an ICE plot of a categorical input is significant differences between individuals in each group. Significant differences between each individual's plot between groups indicate group effects.

22. There are five individuals represented in this plot, with the average predicted probability of churn calculated separately for each individual, across all levels of **Handset Age Group**. For this variable, the trend of observing the lowest probability of churn for the oldest handset age group holds true for all the five individuals, and the average predicted probability of churn for the oldest handset group is slightly smaller in cluster 1 compared to cluster 2. In fact, for all levels of handset age group, the probability of churn in cluster 1 is slightly smaller than that for cluster 2. Exit the maximized view of the PD and ICE overlay plot. Although PD and ICE plots provide only indirect approximations of a model's workings, they are popular and highly visual tools for obtaining a working understanding of increasingly complicated machine learning models.

23. Expand the LIME Explanations plot.

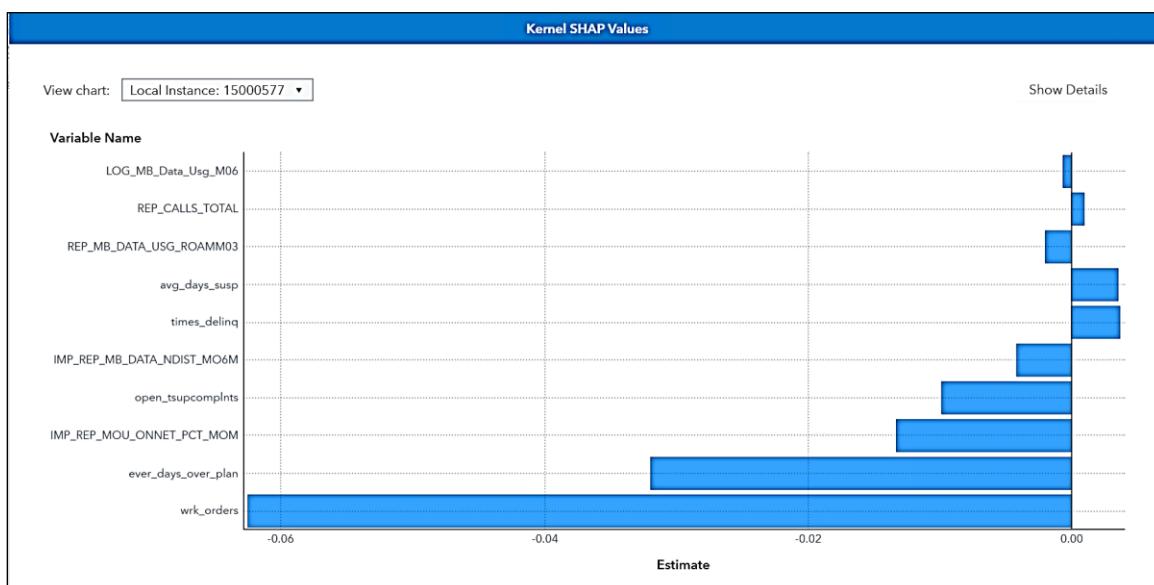


This LIME plot displays the regression coefficient (estimate) for the inputs selected in the local surrogate linear regression model for fitting the predicted probability of the event "1" for the target churn for each individual observation. The inputs are ordered by significance in the chart, with the most significant input for the local regression model appearing at the bottom of the chart.

The LASSO technique is used to select the most significant effects from the set of inputs that was used to train the model. A positive estimate indicates that the observed value of the input increases the predicted probability of the event. For example, the value of "0" for `delinq_indicator` decreases the predicted probability of the event "1" for the target churn by 0.13084 compared to the individual having a different value for `delinq_indicator`.

24. Restore the LIME Explanations plot.

25. Expand the Kernel SHAP Values plot.



For each individual observation, an input's Shapley value is the contribution of the observed value of the input to the predicted probability of the event "1" for the target churn. The Shapley values of all inputs sum to the predicted value. The inputs are displayed in the chart ordered by importance according to the absolute Kernel SHAP values.

The Kernel SHAP values are the regression coefficients that are obtained by fitting a weighted least squares regression. Note that each nominal input is binary-encoded based on whether it matches the individual observation. Interval inputs are binary encoded based on their proximity to the individual observation.

26. Restore the **Kernel SHAP Values** plot.
27. Close the Results window.
28. Run the entire pipeline and view the results of model comparison.

| Champi... | Name | Algorith... | KS (You... | Misclas... |
|-----------|---------------------|---------------------|------------|------------|
| | SVM | SVM | 0.5662 | 0.0729 |
| | Logistic Regression | Logistic Regression | 0.5488 | 0.0808 |

The support vector machine model is the champion of this pipeline based on default KS.

29. Close the Results window.

End of Demonstration

Essential Discovery Tasks



- Select an algorithm.
- Improve the model.
- Optimize complexity of the model.
- Regularize and tune hyperparameters of the model.

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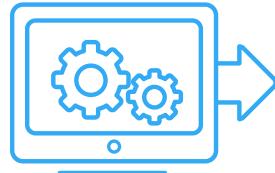


One of the hardest processes in support vector machine models is to find the model parameters that minimize the loss function.

Autotuning Options

Autotuning searches for the best combination of values in different properties:

- Penalty
- Polynomial degree
- Search method – Bayesian, Genetic algorithm, Grid, Latin hypercube sample, Random
- Validation method – Partition, Cross validation
- Objective function (class targets)



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When the autotuning feature is used, SAS Visual Data Mining and Machine Learning returns the penalty, the kernel function, and the degree of the kernel function if it is a polynomial function. Autotuning is invoked by selecting the **Performing Autotuning** option property on the Options tab in the Support Vector Machine node.

Note: Performing autotuning can substantially increase run time.

Autotuning searches for the best combination of the following support vector machine parameters:

Penalty specifies whether to autotune the penalty value. The initial value is 1. The search process can be ranged from 0.000001 to 100, defined by the From and To options.

Polynomial degree specifies whether to autotune the polynomial degree for the SVM model. The initial value is 1. The search process can be ranged from 1 to 3, defined by From and To options.

Search Options specifies the options for autotuning searching. The following options are available:

- **Bayesian** uses priors to seed the iterative optimization.
- **Genetic algorithm** uses an initial Latin hypercube sample that seeds a genetic algorithm. The genetic algorithm generates a new population of alternative configurations at each iteration.
- **Grid** uses the lower bound, upper bound, and midrange values for each autotuned parameter, with the initial value (or values) used as the baseline model.
- **Latin hypercube sample** performs an optimized grid search that is uniform in each tuning parameter, but random in combinations.
- **Random** generates a single sample of purely random configurations.

Number of evaluations per iteration specifies the number of tuning evaluations in one iteration. This option is available only if the Search method is Genetic algorithm or Bayesian. The default value is 10. It ranges from 2 to 2,147,483,647.

Maximum number of evaluations specifies the maximum number of tuning evaluations. This option is available only if the Search method is Genetic algorithm or Bayesian. The default value is 50. It ranges from 3 to 2,147,483,647.

Maximum number of iterations specifies the maximum number of tuning iterations. This option is available only if the Search method is Genetic algorithm or Bayesian. The default value is 5. It ranges from 1 to 2,147,483,647.

Sample size specifies the sample size. This option is available only if the Search method is Random or Latin hypercube sample. The default value is 50. It ranges from 2 to 2,147,483,647.

There are some general options associated with the autotuning search.

Validation method specifies the validation method for finding the objective value. If your data is partitioned, then that partition is used. Validation method, Validation data proportion, and Cross validation number of folds are all ignored.

- **Partition** specifies using the partition validation method. With partition, you specify proportions to use for randomly assigning observations to each role.
 - **Validation data proportion** specifies the proportion of data to be used for the Partition validation method. The default value is 0.3.
- **K-fold cross validation** specifies using the cross validation method. In cross validation, each model evaluation requires k training executions (on k-1 data folds) and k scoring executions (on one holdout fold). This increases the evaluation time by approximately a factor of k.
 - **Cross validation number of folds** specifies the number of partition folds in the cross validation process (the k defined above). Possible values range from 2 to 20. The default value is 5.

Nominal target objective function specifies the objective function to optimize for tuning parameters for a nominal target. Possible values are average squared error, area under the curve, F1 score, F0.5 score, gamma, Gini coefficient, Kolmogorov-Smirnov statistic, multi-class log loss, misclassification rate, root average squared error, and Tau. The default value is misclassification rate.

Interval target objective function specifies the objective function to optimize for tuning parameters for an interval target. Possible values are average squared error, mean absolute error, mean square logarithmic error, root average squared error, root mean absolute error, and root mean squared logarithmic error. The default value is average squared error.

Maximum time (minutes) specifies the maximum time in minutes for the optimization tuner.

Maximum training time for single model (in minutes) specifies the maximum time in minutes for a single model to train. If left blank (the default), there is no maximum time.



Practice

1. Building a Support Vector Machine Model

- a. Build a support vector machine model using the Autotune feature. Add a Support Vector Machine node to the Lesson 5 pipeline, connected to the Variable Selection node. Use the Autotune feature. Explore the settings that are made available on when **Autotune** is selected, but keep all properties at their defaults, *except the polynomial degree*. Under the autotune properties, set the maximum value for the polynomial degree to be 2.

Note: This practice might take several minutes to run.

- b. What kernel was selected during the autotune process? What is the value of the penalty parameter, and is it much different from the default value (1) used for the other SVMs?
- c. How does the autotuned SVM compare to the other models in the pipeline? Consider the fit statistic average squared error for this comparison.

End of Practices

5.4 Additional Tools

Additional Tools

There are other additional tools available in Model Studio.

Here are three of the most useful tools:

- Save Data node
- SAS Code node
- Open Source Code node

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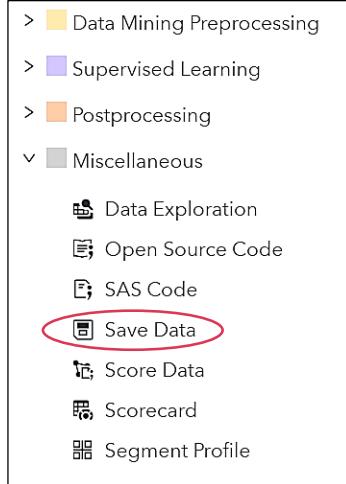
There are several additional tools available in Model Studio that have not been covered in previous lessons of this course. This section discusses three of these tools: the Save Data node, the SAS Code node, and the Open Source Code node.

Here are some other useful tools:

- **Batch Code:** The Batch Code node is a Supervised Learning node. It enables you to import external SAS models that are saved in batch code format. For example, you can import SAS Enterprise Miner batch code into Model Studio. There are some details and limitations to consider. For example, the batch code needs to be generated from a Score node in SAS Enterprise Miner, and the score code must either be SAS DATA step code or Astore based (HPForest or HPSVM). This eliminates Text Mining flows because their score code does not run in CAS, Credit Scoring flows are currently not supported because there is no equivalent of the Credit Scoring product in SAS Viya yet. For more information see <https://go.documentation.sas.com/?cdclId=vdmmlc&cdcVersion=8.3&docsetId=vdmmref&docsetTarget=p11yvlxj5rkkjzn1x04rlk9usv8o.htm&locale=en>.
- **Score Code Import:** The Score Code Import node is a Supervised Learning node that enables you to import external models that are saved as SAS score code. For example, you can import SAS Enterprise Miner score code into Model Studio. For more information see <https://go.documentation.sas.com/?cdclId=vdmmlc&cdcVersion=8.3&docsetId=vdmmref&docsetTarget=n0gbgjfngxnan3n15xy1jbgsoimr.htm&locale=en>.
- **Ensemble:** The Ensemble node is a Postprocessing node. It creates new models by combining the posterior probabilities (for class targets) or the predicted values (for interval targets) from multiple predecessor models.

Save Data Node

The Save Data node is used to save data exported by a node in a pipeline to a caslib.



The Save Data node is a Miscellaneous node that enables you to save the training table that is produced by a predecessor node to a caslib. This table could be partitioned into training, validation, or test sets based on the project settings. In that case, the table contains the `_partind_` variable that identifies the partitions.

By default, the training table produced by a pipeline is temporary and exists only for the duration of the run of a node and has local session scope. The Save Data node enables you to save that table to disk in the location associated with the specified output library. This table can then be used later by other applications for further analysis or reporting.

The default output caslib in which tables are to be saved can be specified in the Output Library Project settings. You can overwrite this location using the **Output library** property.

In addition, you can load the table in memory and promote this table to have global scope in the specified caslib. This enables multiple CAS sessions to access this table.

If you run the node, the results consist of an output table that contains information about the saved table, including a list of variables and their basic attributes.

Save Data Node: Properties Panel

The screenshot shows the 'Save Data' properties panel. It includes a description box stating 'Saves data that is exported by a node in a pipeline to a CAS library.', a 'Select a library' dropdown with a 'Browse' button, a 'Table name' input field containing 'tmpSaveData', and two checkboxes for 'Replace existing table' and 'Promote table'.

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sas

The properties of the Save Data node are as follows:

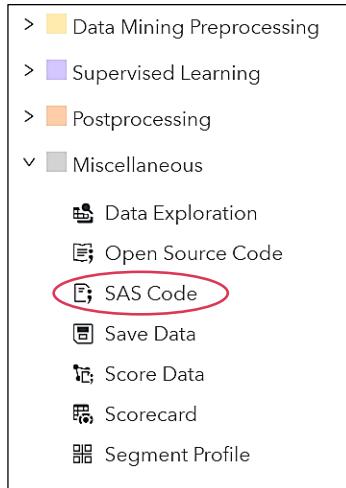
- **Output library** – specifies the output caslib where the table will be saved on disk. Use **Browse** to navigate to the proper library. If the user has specified an output library under Project Settings, then this library is used by default.
- **Table name** – specifies the name for the CAS table being saved. The default value is **tmpSaveData**.
- **Replace existing table** – specifies whether to override an existing CAS table with the same name when saving. By default, this option is deselected.
- **Promote table** – specifies whether to load the table in memory and promote the table to global space. By default, this option is deselected.

After running the node, you can open the Results window. Two tabs are in the Results window: Properties and Output.

- **Properties** – specifies the various properties selected before running the node. These include the output library, the table name, whether to replace or promote the table, and the CAS session ID.
- **Output** – displays the SAS output of the saved data run.

SAS Code Node

The SAS Code node is used to run SAS code.



sas

The SAS Code node is a Miscellaneous node that enables you to incorporate new or existing SAS code into Model Studio pipelines. The node extends the functionality of Model Studio by making other SAS procedures available for use in your data mining analysis. You can also write SAS DATA steps to create customized scoring code, conditionally process data, or manipulate existing data sets. The SAS Code node is also useful for building predictive models, formatting SAS output, defining table and plot views in the user interface, and for modifying variables' metadata. The node can be placed at any location within a pipeline (except after the Ensemble or Model Comparison nodes). By default, the SAS Code node does not require data. The exported data that are produced by a successful SAS Code node run can be used by subsequent nodes in a pipeline.

To indicate that the SAS Code node produces a model that should be assessed, right-click the **SAS Code** node and select **Move** \Rightarrow **Supervised Learning**. If a SAS Code node that is marked as a Supervised Learning node does not generate any score code, either as DS1 or as an analytical store (astore), then no assessment reports or model interpretability reports are generated. If the node produces score code that does not create the expected predicted or posterior probability variables, then the node will fail.

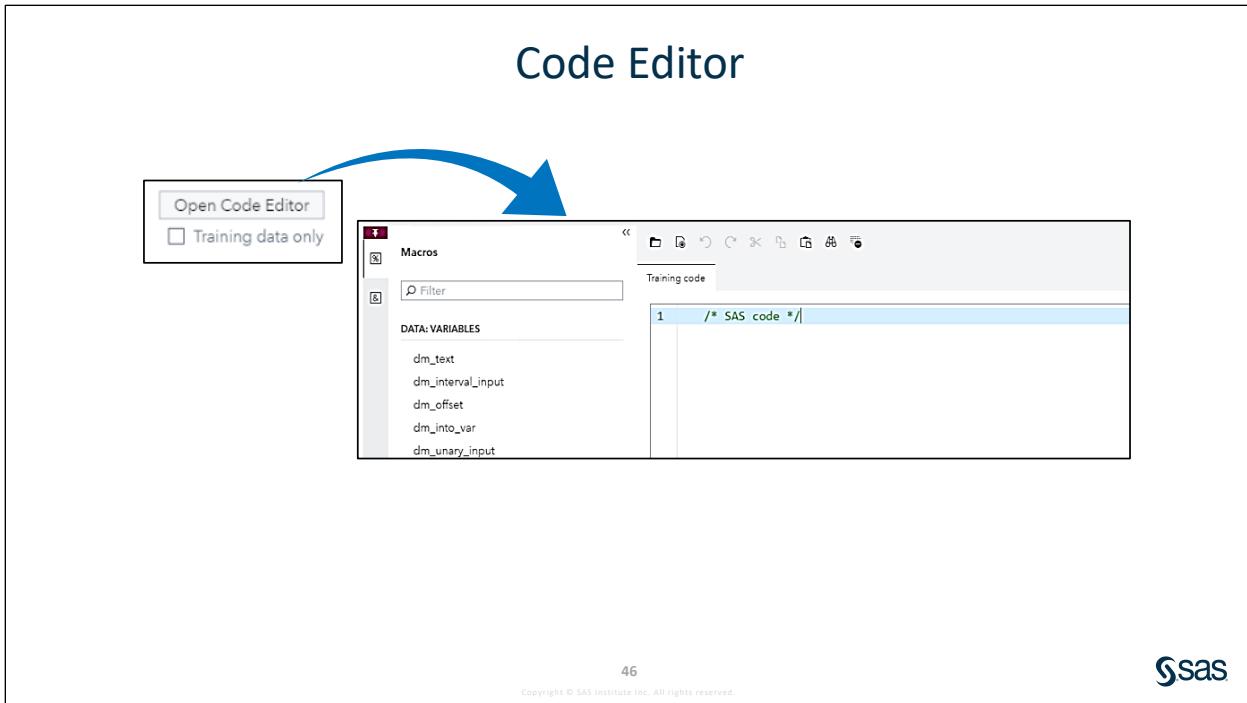
SAS Code Node: Properties Panel

The screenshot shows the 'SAS Code' node properties panel. At the top, there's a back arrow (»), a magnifying glass icon, and a question mark icon. Below that is a section labeled 'Description:' with the text 'Runs SAS code.' in a code editor-like box. Underneath is a button labeled 'Open Code Editor'. At the bottom are two checkboxes: one for 'Training data only' (unchecked) and one for 'Use the exact percentile method for lift calculations' (checked). The bottom right corner of the panel contains the SAS logo.

The SAS Code node properties are as follows:

- **Code editor** – invokes the SAS Code Editor.
- **Train only data** – specifies whether the node should receive the training observations only if the data are partitioned. By default, this option is deselected. Currently, this property is unavailable for this node. To specify that the node receive only training data, add the following WHERE clause to your code:

```
where &dm_partitionvar.=1;
```



The code editor window is opened from a property in the properties panel. The code editor window enables the user to view a Macros table and a Macro Variable table from the left column, which contain a list of macros and macro variables, respectively, that are available to the SAS session.

Additional options are available as shortcut buttons on the top of the editor window. These options enable you to do the following:

- browse
- control settings, which include general (such as showing line numbers and font size) and editing (such as enabling autocomplete and auto indentation) code options
- undo and redo
- cut, copy, and paste
- find and replace
- clear all code

User-written code is saved using a shortcut button (the good old 3.5-inch floppy disk icon) in the upper right corner of the editor window.

Access to SAS Enterprise Miner and SAS/STAT Procedures

- The SAS Visual Data Mining and Machine Learning license includes procedures (PROCs) from SAS/STAT and SAS Enterprise Miner.
- You write code in a SAS Code node.
- In-memory data (CAS tables) require conversion to SAS data sets.



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SAS Enterprise Miner and Model Studio are two solutions that you can use to create predictive and classification models. SAS Viya users have access to more power than they might realize. All SAS Enterprise Miner and SAS/STAT procedures are included with a SAS Visual Data Mining and Machine Learning license in SAS Viya. This means that by using the SAS Code node in a pipeline, users have access to the SAS Enterprise Miner procedures that are specific to that product and to the entire suite of tools available with SAS/STAT in SAS®9.

The in-memory CAS table would require being copied to a location accessible by these procedures in the form of a SAS data set.

In Model Studio, there are a few nodes (such as the Open Source Code node and the Batch Code node) that bring down sampled data from CAS. These nodes have a set of properties under the Data Sample property group that control the number of data and how the sample is created. But if you are licensed to run SAS 9.x procedures, you can run those PROCs using the SAS Code node where the data are downloaded automatically.

Note: In a paper titled “SAS® Enterprise Miner™ and SAS® Visual Data Mining and Machine Learning Hand Shake,” authors show that although these applications have different architectures and run in different environments, you can integrate models generated in one environment and compare them with models produced in the other. For more information, go to <https://www.sas.com/content/dam/SAS/support/en/sas-global-forum-proceedings/2019/3616-2019.pdf>.

Note: If you have been a SAS®9 user and are new to SAS Viya, you might want to see the technical paper titled “SAS® 9.4 and SAS® Viya® Functional Comparison” for a handy comparison at <http://support.sas.com/resources/papers/sas-94-sas-viya-functional-comparison.pdf>.

Executing Open Source Code

Types of Openness

Open Source in SAS

SAS in Open Source



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Open source in SAS Viya supports Python and R languages and requires Python or R and necessary packages to be installed on the same machine as the SAS Compute Server. It downloads data samples from SAS Cloud Analytic Services for use in Python or R code and transfers data by using a data frame or CSV file using the Base SAS Java Object.

Open Source Code Node

- > Data Mining Preprocessing
- > Supervised Learning
- > Postprocessing
- ✓ Miscellaneous
 - >Data Exploration
 - Open Source Code**
 - SAS Code
 - Save Data
 - Score Data
 - Scorecard
 - Segment Profile

- The Open Source Code node is used to run Python or R code in a pipeline.
- Requires Python or R and necessary packages to be installed on the same machine as the SAS Compute Server.
- Cannot be part of an ensemble.
- Does not support registering, publishing, or downloading scoring code or scoring APIs.
- Enables the comparison of Python or R models within a Model Studio pipeline.

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The Open Score Code node enables you to import external code that is written in Python or R. The version of Python or R software does not matter to the node, so any version can be used as the code is passed along. The Python or Rscript executable must be in a system path on Linux, or the install directories can be specified with PYTHONHOME or RHOME on Windows.

The node enables the user to prototype machine learning algorithms that might exist in open source languages but have not yet been vetted to be included directly as a node in Model Studio. This node can subsequently be moved to a Supervised Learning group if a Python or R model needs to be assessed and included to be part of model comparison. The node can execute Python or R software regardless of their versions.

Open Source Code Node: Properties Panel

The screenshot shows the 'Open Source Code' node properties panel on the left and a code editor window on the right. A blue arrow points from the 'Open Code Editor' button in the properties panel to the code editor window.

Properties Panel:

- Description: Runs Python or R code.
- Language: Python
- Input to Open Source:
 - Data Sample
 - Drop rejected variables
 - Generate data frame
 - Use output data in child nodes
 - Use the exact percentile method for lift calculations

Code Editor Window:

```

1 # Python or R code based on the Language property.
2 #
3 # Note that a few lines of Python or R code are added before your code; for example:
4 # Python:
5 # dm_class_input = ["class_var_1", "class_var_2"]
6 # dm_interval_input = ["numeric_var_1", "numeric_var_2"]
7 # R:
8 # dm_class_input <- c("class_var_1", "class_var_2")
9 # dm_interval_input <- c("numeric_var_1", "numeric_var_2")
10 #
11 # For Python, use the Node Configuration section of the Project Settings to prepend
12 # any configuration code, which is executed before the above code. During execution,
13 # this code is automatically prepended to every node that runs Python code.
14 #
15 # After running the node, the Python or R code window in the node results displays
16 # the actual code that was executed. START ENTERING YOUR CODE ON THE NEXT LINE.

```

Sas

After selecting the language (Python or R) from properties, use the Open button to enter respective code in the editor. Because this code is not executed in CAS, a data sample (10,000 observations by default) is created and downloaded to avoid movement of large data. Use Data Sample properties to control the sample size and method. Apply caution and do not specify full data or a huge sample when the input data is large. When performing model comparison with other Supervised Learning nodes in the pipeline, note that this node might not be using full data.

Input data can be accessed by the Python or R code via a CSV (comma-separated-value) file or as a data frame. When **Generate data frame** is selected, a data frame is generated from the CSV, and input data is available in **dm_inputdf**, which is a pandas data frame in Python or an R data frame. When data are partitioned, an additional data frame, **dm_traindf**, is also available in the editor. That frame contains training data. If a Python or R model is built and needs to be assessed, corresponding predictions or posterior probabilities should be made available in the **dm_scoreddf** data frame. To do so, right-click and select **Move** \Rightarrow **Supervised Learning** to indicate that model predictions should be merged with input data and model assessment should be performed. Note that the number of observations in **dm_inputdf** and **dm_scoreddf** should be equal for successful merge to occur.

Note that this node cannot support operations such as **Download score code**, **Register models**, **Publish models**, and **Score holdout data** from the Pipeline Comparison tab because it does not generate SAS score code.

Properties of the Open Source Code node are as follows:

- **Code editor** – invokes the SAS Code Editor.
- **Language** – specifies the open source language to be used. Available options for this property are R and Python. The default setting is R.
- **Generate data frame** – specifies whether to generate an R data frame or a pandas data frame in Python. In addition, categorical inputs are encoded as factors in R. If this option is disabled, the input data should be accessed as a CSV file. By default, this option is enabled.
- **Data Sample** – controls sampling of the data. By default, this property is collapsed. The Data Sample property has been expanded in the screen capture above. When expanded, the subcategories are shown. The subcategories are as follows:
 - **Sampling Method** – specifies the sampling method. When the input data has a partition variable or a class target (or both), the sample is stratified using them. Otherwise, a simple random sample is used. The available settings are None, Simple Random, and Stratify. The default setting is Stratify.
 - **Sample using** – specifies whether to sample using the number of observations or the percent of observations from input data. The available settings are Number of observations and Percent of Observations. The default setting is Number of observations.
 - **Number of Observations or Percent of Observations** – depends on the setting for the **Sample using** property. When **Sample using** is set to **Number of Observations**, this property specifies the number of observations to sample from input data. The default in this case is 10,000, and the user can enter numeric values manually. When **Sample using** is set to **Percent of Observations**, this property specifies the percent of observations to sample from input data. In this case, a slider bar appears that ranges from 1 to 100 and the default setting is 10.
 - **Include SAS formats** – specifies whether to include SAS formats in input data to downloaded CSV files, when passing data to open source software. By default, this option is enabled.

Like the SAS Code node, for the Open Source Code node, the code editor window is opened from a property in the properties panel. The code editor window enables the user to view a list of R variables or Python variables, depending on what open source language is being used, that are available to the editor session.

Additional options are available as shortcut buttons that are identical to those described earlier in this section of the SAS Code node.

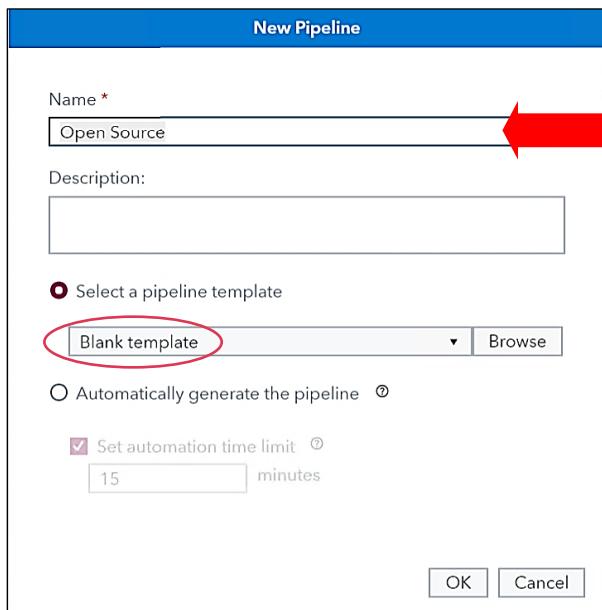
Further information about the Open Source Code node in Model Studio, including a short video illustrating use of the node, can be found here: <https://communities.sas.com/t5/SAS-Communities-Library/How-to-execute-Python-or-R-models-using-the-Open-Source-Code/ta-p/499463>



Adding Open Source Models into a Model Studio Project (Self-Study)

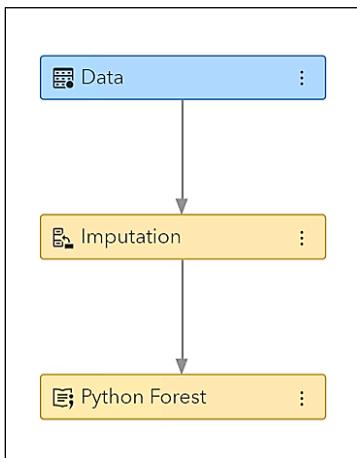
There might be times when it is beneficial to add components of open source technologies into Model Studio. In this demonstration, you use the Open Source Code node available for Python and R scripts that help you explore data or build models within a pipeline. You create forest models in R and Python.

1. Ensure that the **Demo** project is open. Reopen the project if you have closed it. Click the plus sign (+) next to the Lesson 5 pipeline tab to add a new pipeline.
2. In the New Pipeline window, name the pipeline **Open Source**. Ensure that **Blank Template** is selected under **Select a pipeline template**.

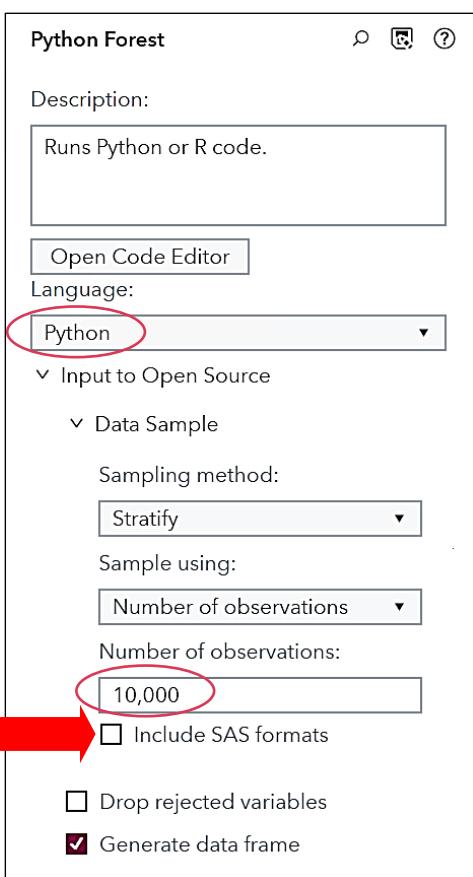


3. Click **OK**.
 4. Right-click the **Data** node and select **Add child node** \Rightarrow **Data Mining Preprocessing** \Rightarrow **Imputation**. Leave the settings of the Imputation node at the defaults. Many open source packages do not like missing values.
- Note:** Both Python and R packages sometimes do not support missing values in data. It is your responsibility to prepare the data as necessary for these packages. It is highly recommended that you add an Imputation node before the Open Source Code node to handle missing values. If the training data does not contain missing values but if either the validation or test data does contain missing values, consider enabling the **Impute non-missing variables** property in the Imputation node.
5. Right-click the **Imputation** node and select **Add child node** \Rightarrow **Miscellaneous** \Rightarrow **Open Source Code**.

6. Right-click **Open Source Code** node and rename the node **Python Forest**. Your pipeline should look like the one below.



7. In the properties panel of the Open Source Code node (now renamed **Python Forest**), verify that the language is set to **Python**.
8. Expand the **Data Sample** properties. Clear the check box for **Include SAS formats**. This property controls whether the downloaded data sent to the Python or R software should keep SAS formats. It is strongly recommended that you keep SAS formats, and this should work in most cases. However, some numeric formats such as DOLLARw.d add a dollar sign and change the data type of the variable when exporting to CSV. In such cases, these formats must be removed.

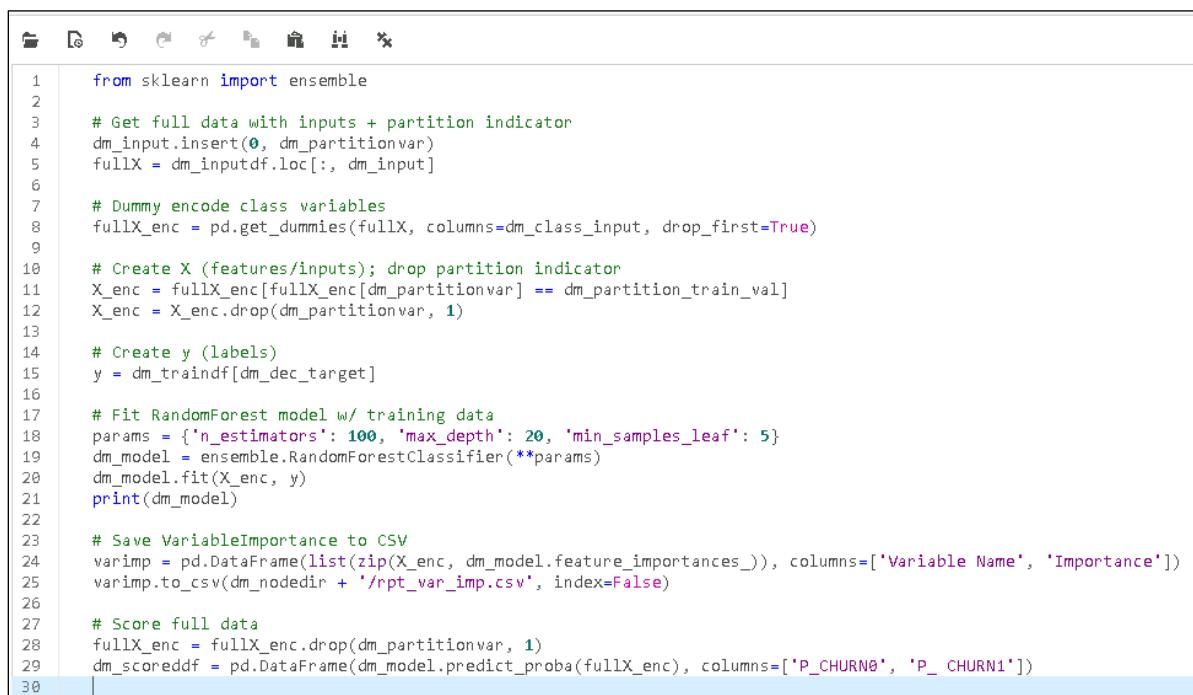


Note: We are sampling to use 10,000 observations, but you have the option to use all the data. The data sample is downloaded from CAS as a CSV file (**node_data.csv**). The default is stratified sampling, and stratification is done by partition variable or class target when applicable. This node uses a sample when performing model comparison.

Note: The **Include SAS formats** property either keeps or removes SAS formats for all variables in the data set. If input or target variables have SAS or user-defined formats that significantly modify the data, it is not recommended that you deselect this option because the model that is built might not be comparable to other models.

- Click the **Open Code Editor** button to invoke the SAS code editor. Copy and paste the code provided in the **Python_Forest.txt** file in your course data folder.

Note: You can leverage nodes previously saved to the Exchange to alleviate copying and pasting. Right-click the node that you want to save and select **Save as**. Enter a name for the node in the Save Node to The Exchange window.



```

1  from sklearn import ensemble
2
3  # Get full data with inputs + partition indicator
4  dm_input.insert(0, dm_partitionvar)
5  fullX = dm_inputdf.loc[:, dm_input]
6
7  # Dummy encode class variables
8  fullX_enc = pd.get_dummies(fullX, columns=dm_class_input, drop_first=True)
9
10 # Create X (features/inputs); drop partition indicator
11 X_enc = fullX_enc[fullX_enc[dm_partitionvar] == dm_partition_train_val]
12 X_enc = X_enc.drop(dm_partitionvar, 1)
13
14 # Create y (labels)
15 y = dm_traindf[dm_dec_target]
16
17 # Fit RandomForest model w/ training data
18 params = {'n_estimators': 100, 'max_depth': 20, 'min_samples_leaf': 5}
19 dm_model = ensemble.RandomForestClassifier(**params)
20 dm_model.fit(X_enc, y)
21 print(dm_model)
22
23 # Save VariableImportance to CSV
24 varimp = pd.DataFrame(list(zip(X_enc, dm_model.feature_importances_)), columns=['Variable Name', 'Importance'])
25 varimp.to_csv(dm_nodedir + '/rpt_var_imp.csv', index=False)
26
27 # Score full data
28 fullX_enc = fullX_enc.drop(dm_partitionvar, 1)
29 dm_scoreddf = pd.DataFrame(dm_model.predict_proba(fullX_enc), columns=['P_CHURN0', 'P_CHURN1'])
30

```

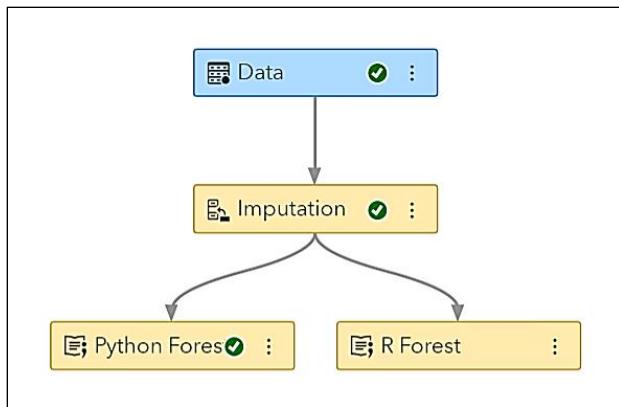
This fits a random forest classifier model in Python. The default values for the parameters that control the size of the trees (for example, **max_depth (default=None)**, **min_samples_leaf (default=1)**) lead to fully grown and unpruned trees, which can be very large data sets. To reduce memory consumption, the complexity and size of the trees are controlled by setting parameter values like the ones in the code above.

The code that needs to be changed for different data sets is line 29, how your predictions are named using the **P_ + “target”** naming convention.

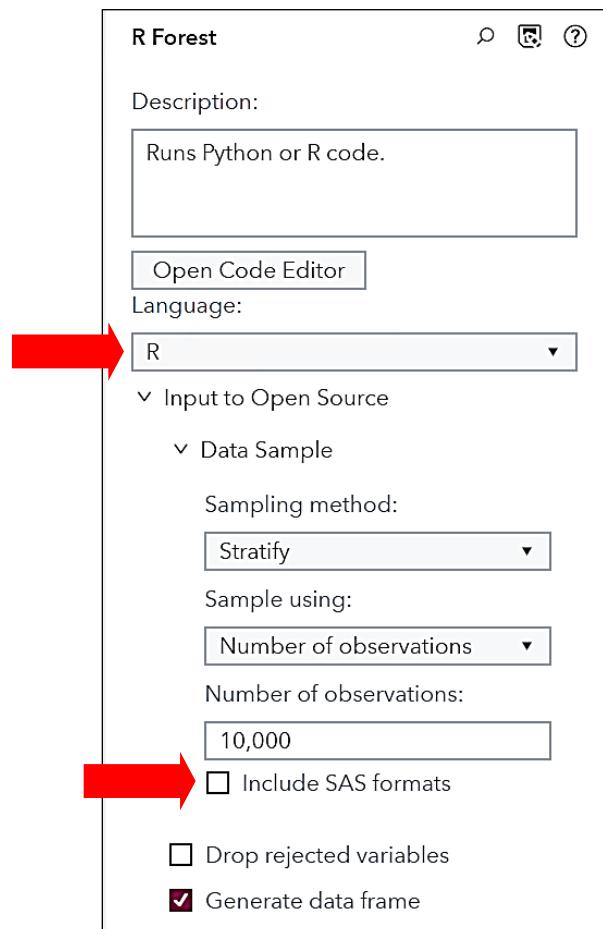
Note: Remember that we are just modeling the data here. Currently, there is not a way to do data preparation within the Open Source Code node so that a subsequent node will recognize it. If this is necessary, either prepare data before Model Studio, or perform both of the following: (1) open source data preparation with the Open Source Code node (in preprocessing group), and (2) modeling with the Open Source Code node (in supervised learning group).

- In the upper right corner of the window, click the **Save** icon to save the Python code and then click the **Close** button to close the code editor window.

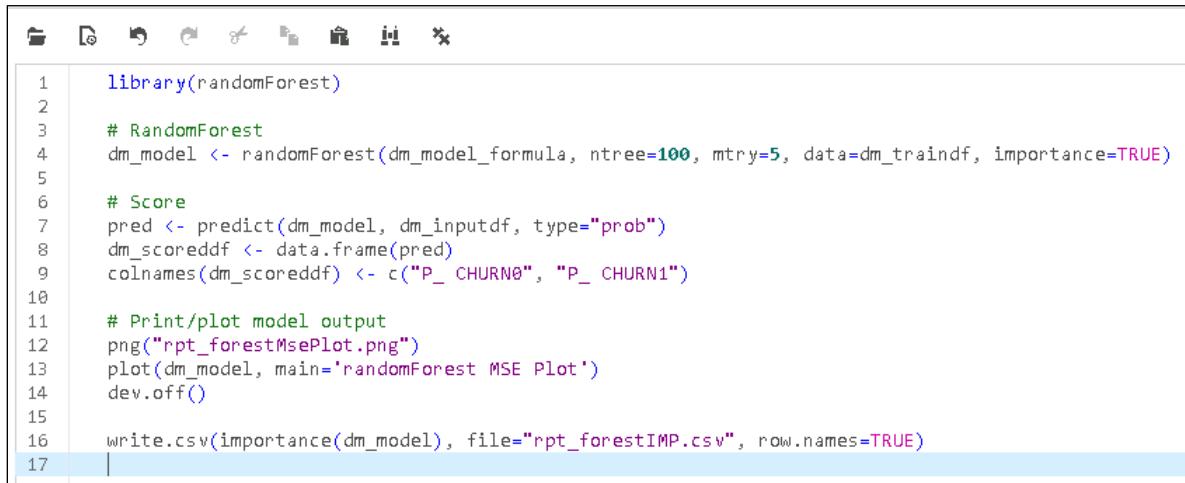
11. Run the **Python Forest** node.
12. Repeat the previous steps for fitting a forest model in R. Right-click the **Imputation** node and select **Add child node** \Rightarrow **Miscellaneous** \Rightarrow **Open Source Code**.
13. Right-click the **Open Source Code** node and rename it **R Forest**. Your pipeline should look like the one below.



14. In the properties panel of the Open Source Code node (now renamed **R Forest**), set the language to **R** and clear the check box for **Include SAS formats**.



15. Click the **Open Code Editor** button to invoke the SAS Code Editor. Copy and paste the code provided in the **R_Forest.txt** file in your course data folder.



```

1 library(randomForest)
2
3 # RandomForest
4 dm_model <- randomForest(dm_model_formula, ntree=100, mtry=5, data=dm_traindf, importance=TRUE)
5
6 # Score
7 pred <- predict(dm_model, dm_inputdf, type="prob")
8 dm_scoreddf <- data.frame(pred)
9 colnames(dm_scoreddf) <- c("P_CHURN0", "P_CHURN1")
10
11 # Print/plot model output
12 png("rpt_forestMsePlot.png")
13 plot(dm_model, main='randomForest MSE Plot')
14 dev.off()
15
16 write.csv(importance(dm_model), file="rpt_forestIMP.csv", row.names=TRUE)
17

```

This fits Breiman and Cutler's random forest classifier model in R.

The code that needs to be changed for different data sets is line 9, how your predictions are named using the **P_ + “target”** naming convention.

Note: It is a good practice to execute the node in an empty state to validate whether Python or R is correctly installed and configured. In addition, you can view the precursor code that is added as part of the executed code. The code that is added depends on the combination of properties selected. The precursor code is part of the node results.

Note: Model assessment is performed automatically if the following are true:

- Predictions are saved in the **dm_scoreddf** data frame or the **node_scored.csv** file.
- Prediction variables are named according to following convention:

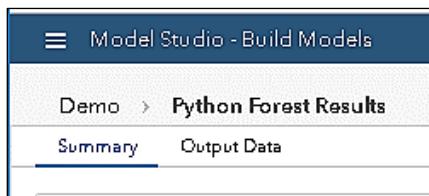
P_<targetVarName> for interval target

P_<targetVarName><targetLevel> for class targets

(All target level probabilities should be computed.)

16. Run the **R Forest** node.

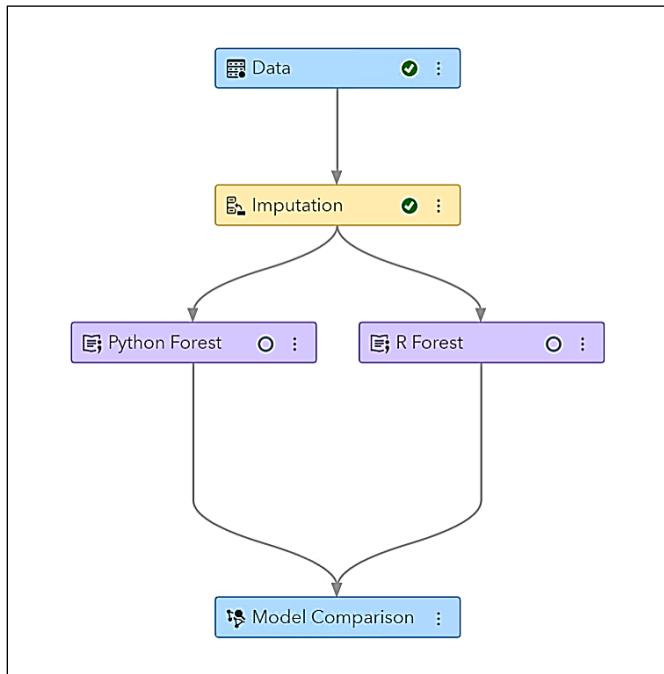
17. Open the results of either the R Forest node or the Python Forest node.



Why does the Open Source Code node not have assessment results even though it was successfully executed?

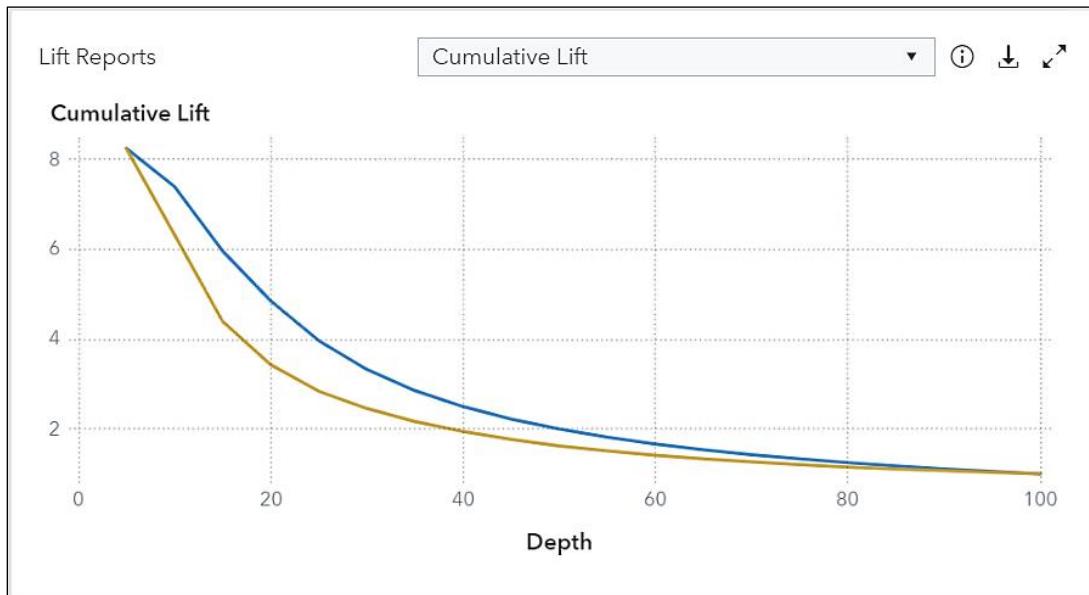
18. For model assessment, you need to move the nodes to the supervised learning group. Right-click the **R Forest** node and select **Move** \Rightarrow **Supervised Learning**. A Model Comparison node is automatically added to the pipeline.

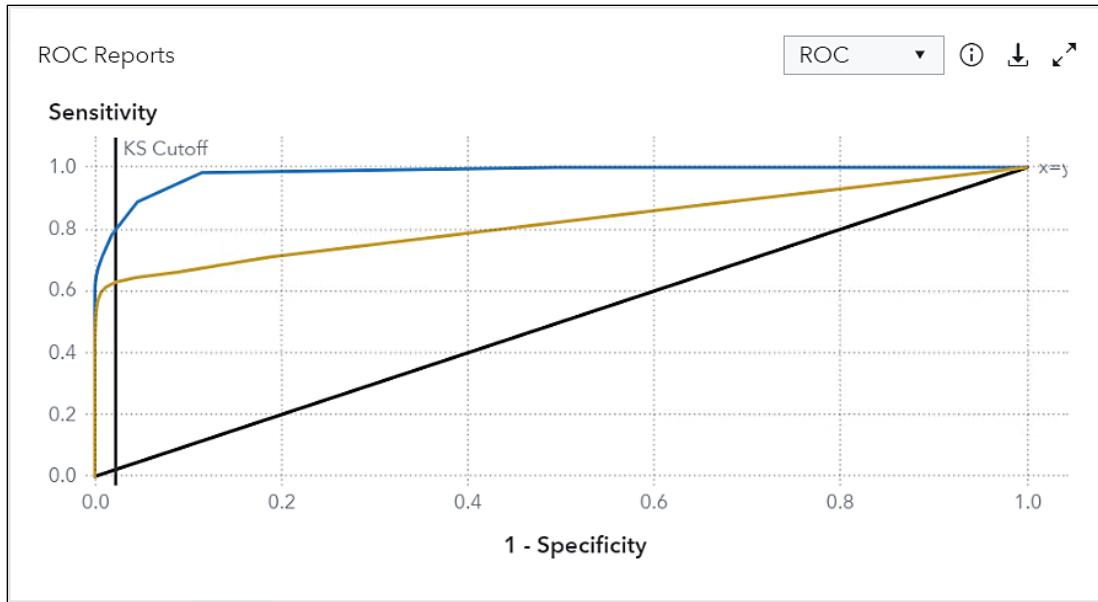
Repeat the same for the Python Forest node.



The color of both the nodes has changed to purple, showing that these nodes have changed to the group of Supervised Learning nodes. Notice also that the nodes need to be rerun.

19. Run the **Model Comparison** node.
20. Open the results of the Python Forest or the R Forest node (or both). Click the **Assessment** tab in the upper left corner.





The usual assessment results are displayed. Close the results.

21. Open the results of the Model Comparison node.

| Champi... | Name | Algorith... | KS (You...) | Misclas... | Misclas... | Root Av... | Averag... |
|-----------|---------------|------------------|-------------|------------|------------|------------|-----------|
| ☒ | R Forest | Open Source Code | 0.6089 | 0.0567 | 0.0567 | 0.2396 | 0.0574 |
| | Python Forest | Open Source Code | 0.6064 | 0.0592 | 0.0592 | 0.2381 | 0.0567 |

You can also compare these open source models with the models that you fit in Model Studio using the Pipeline Comparison tab.

Note: Results from Python or R execution can be viewed in the node when saved with the **rpt_** prefix.

- Files with the **.csv** extension are displayed as tables where the first row is the header (**rpt_VariableImportance.csv**).
- Files with a **.png**, **.jpeg/.jpg**, or **.gif** extension are displayed as images (**rpt_MeanSquareErrorPlot.png**).
- Files with the **.txt** extension are displayed as plain text (**rpt_GLMOoutput.txt**).

Remember that the **rpt_** prefix is not case sensitive, and that the **rpt_** prefix and file extensions (**.csv**, **.txt**, **.png**, **.jpeg**, **.jpg**, **.gif**) are key in identifying which files to display.

So keep running open source within SAS, or running SAS inside an open source environment!

End of Demonstration

5.5 Solutions

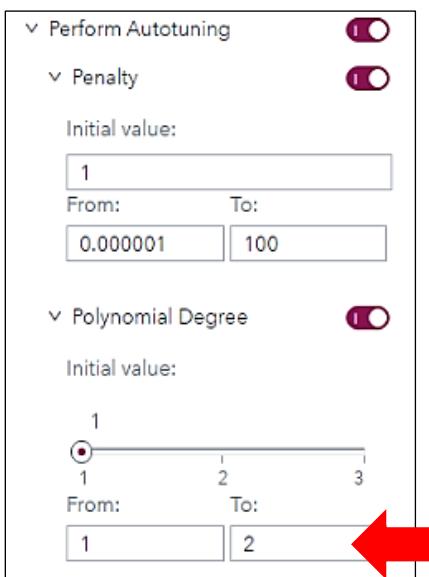
Solutions to Practices

Note: Due to the distributed nature of the SAS Viya environment, results might not be reproducible. Your results and answers to the practice questions could be different from those provided below.

1. Building a Support Vector Machine Model

- Build a support vector machine using the Autotune feature. Add an SVM node to the Lesson 5 pipeline, connected to the Variable Selection node. Use the Autotune feature. Explore the settings that are made available when **Autotune** is selected, but keep all properties at their defaults, **except the polynomial degree**. Under the autotune properties, set the maximum value for the polynomial degree to be 2.

- On the Lesson 5 pipeline, right-click the **Variable Selection** node and select **Add child node** \Rightarrow **Supervised Learning** \Rightarrow **SVM**.
- In the properties pane, turn on the **Perform Autotuning** option. The default properties show starting values and ranges that are tried for each property in the SVM model.
- Under **Polynomial Degree**, change the maximum range by changing **To** from 3 to 2.



- Right-click the **SVM** node and select **Run**. This process might take few minutes.
- When the execution is over, right-click the **SVM** node and select **Results**.

- 6) Examine the Results window. Maximize the Autotune Results window and notice the different evaluations performed. Restore the Autotune Results window.

| Autotune Results | | | | |
|------------------|-------------|-------------------|------------------------------|-----------------|
| Evaluation | Penalty (C) | Polynomial Degree | Kolmogorov-Smirnov Statistic | Time in Seconds |
| 0 | 1 | 1 | 0.5518 | 2.2635 |
| 26 | 12.7206 | 2 | 0.5665 | 44.7782 |
| 48 | 13.1828 | 2 | 0.5663 | 46.7929 |
| 38 | 13.4671 | 2 | 0.5660 | 39.5490 |
| 16 | 9.2764 | 2 | 0.5657 | 39.0414 |
| 25 | 9.2963 | 2 | 0.5657 | 44.5981 |
| 51 | 10.7621 | 2 | 0.5656 | 26.3379 |
| 46 | 9.7229 | 2 | 0.5655 | 44.1203 |
| 1 | 11.1111 | 2 | 0.5654 | 32.1360 |
| 4 | 88.8889 | 2 | 0.5652 | 32.0754 |
| 45 | 9.4847 | 2 | 0.5652 | 44.3701 |

| Autotune Results | | | | |
|------------------|-------------|-------------------|------------------------------|-----------------|
| Evaluati... | Penalty (C) | Polynomial Deg... | Kolmogorov-Smirnov Statistic | Time in Seconds |
| 0 | 1 | 1 | 0.5234 | 2.0943 |
| 45 | 43.7692 | 2 | 0.5374 | 46.8547 |
| 46 | 30.9775 | 2 | 0.5369 | 47.0381 |
| 48 | 45.6192 | 2 | 0.5364 | 48.3928 |
| 37 | 43.1495 | 2 | 0.5359 | 47.3286 |
| 27 | 44.7236 | 2 | 0.5359 | 40.1134 |
| 47 | 38.6995 | 2 | 0.5343 | 46.6655 |
| 23 | 38.9431 | 2 | 0.5338 | 41.8928 |
| 49 | 49.2876 | 2 | 0.5334 | 47.6007 |
| 50 | 52.9167 | 2 | 0.5332 | 47.8411 |
| 11 | 50.0000 | 2 | 0.5329 | 36.7621 |

- 7) Scroll down and maximize the Output window. This output shows the set of parameters selected for the final support vector machine model.

| The SAS System | |
|-------------------------|------------------|
| The SVMACHINE Procedure | |
| Model Information | |
| Task Type | C_CLAS |
| Optimization Technique | Interior Point |
| Scale | YES |
| Kernel Function | Polynomial |
| Kernel Degree | 2 |
| Penalty Method | C |
| Penalty Parameter | 12.7205947141729 |
| Maximum Iterations | 25 |
| Tolerance | 1e-06 |

- 8) Click the **Assessment** tab. Scroll down and observe the Fit Statistics window. The average squared error for the Autotune model is 0.1760 on the VALIDATE partition.

| Target ... | Data Role | Partitio... | Formatt... | Sum of ... | Averag... |
|------------|-----------|-------------|------------|------------|-----------|
| churn | TRAIN | 1 | 1 | 39,590 | 0.1758 |
| churn | VALIDATE | 0 | 0 | 16,967 | 0.1760 |

- b. What Kernel was selected during the autotune process? What is the value of the penalty parameter and is it much different from the default value (1) used for the other SVMs?

A polynomial kernel with degree of 2 was selected. The penalty term is 12.72, which is very different from the default value of 1. The number of iterations was 25.

- c. How does the autotuned SVM compare to the other models in the pipeline? Consider the fit statistic average squared error for this comparison.

The autotuned SVM was considerably worse than the last model tuned during the demonstrations on ASE.

End of Solutions

Solutions to Activities and Questions

5.01 Question – Correct Answer

Because only the observations closest to the separating hyperplane are used to construct the support vector machine, the curse of dimensionality is reduced.

- True
- False

Lesson 6 Model Assessment and Deployment

| | |
|--|-------------|
| 6.1 Model Assessment and Comparison..... | 6-3 |
| Demonstration: Comparing Multiple Models in a Single Pipeline | 6-23 |
| Demonstration: Comparing Multiple Models across Pipelines and Registering the Champion Model | 6-29 |
| 6.2 Model Deployment..... | 6-36 |
| Demonstration: Exploring the Features for Scoring and Running a Scoring Test in Model Manager..... | 6-40 |
| 6.3 Solutions..... | 6-50 |
| Solutions to Activities and Questions | 6-50 |

6.1 Model Assessment and Comparison



Given that machine learning models tend to be difficult to interpret, their primary use is to create predictions that create value (monetary or otherwise) for an organization or other entity. The actual mechanism by which machine learning models create their predictions requires thought and attention. For example, making predictions on an individual's local machine is a good idea only for a limited time in most cases. If a model is useful, it needs to be used by an organization in an operational manner to make decisions quickly, if not automatically. Keep in mind that some level of data preparation has likely been applied to the data set in its original, raw form, and this must be accounted for when making predictions on new observations. Moving the logic that defines all the necessary data preparation and mathematical expressions of a sophisticated predictive model from a development environment such as a personal computer into an operational database is one of the most difficult and tedious aspects of machine learning. Mature, successful organizations are masters of this process, which is called *model deployment*, *deployment*, or *model production*.

Essential Deployment Tasks



- Assess models.
- Compare models.
- Score the champion model.
- Monitor model performance over time.
- Update the model as needed.

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We typically build several models. Therefore, it is important to first assess individual models and then compare those several models and determine the best model, typically called a *champion* model. The champion model is then deployed into production, a process called *scoring*. Even after a model has been deployed, it must be monitored and then updated per requirements.

Essential Deployment Tasks

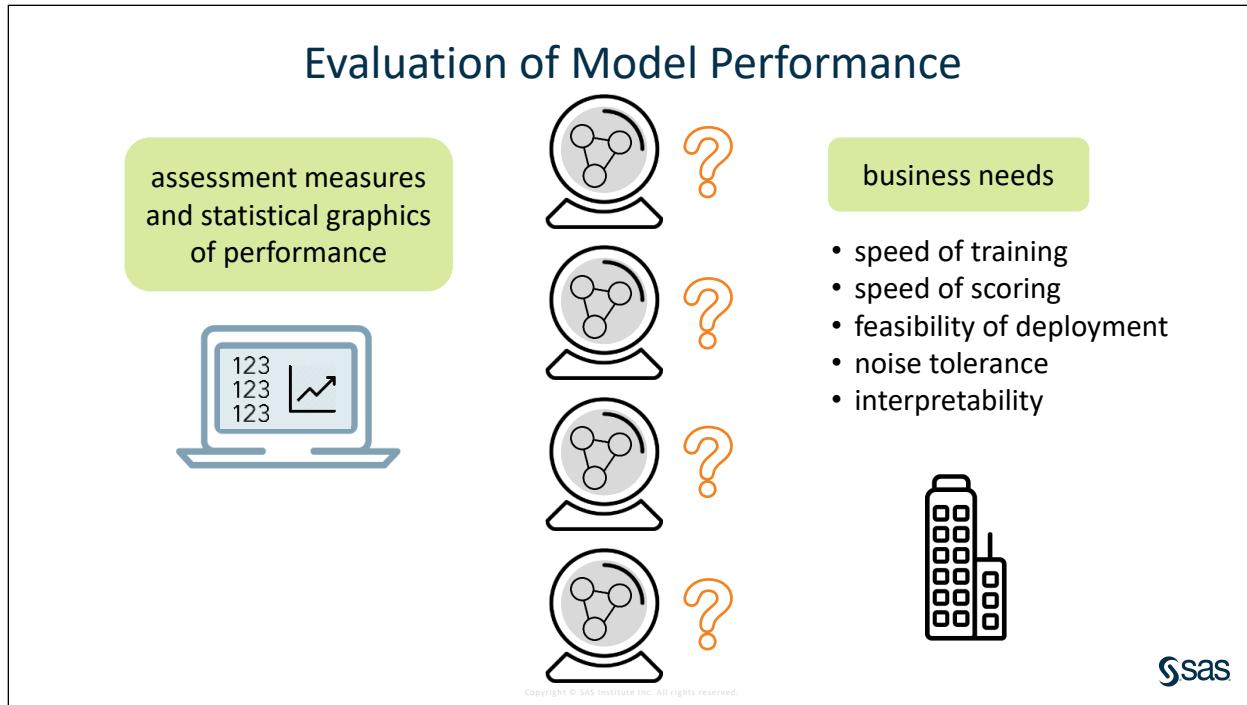


- Assess models.
- Compare models.
- Score the champion model.
- Monitor model performance over time.
- Update the model as needed.

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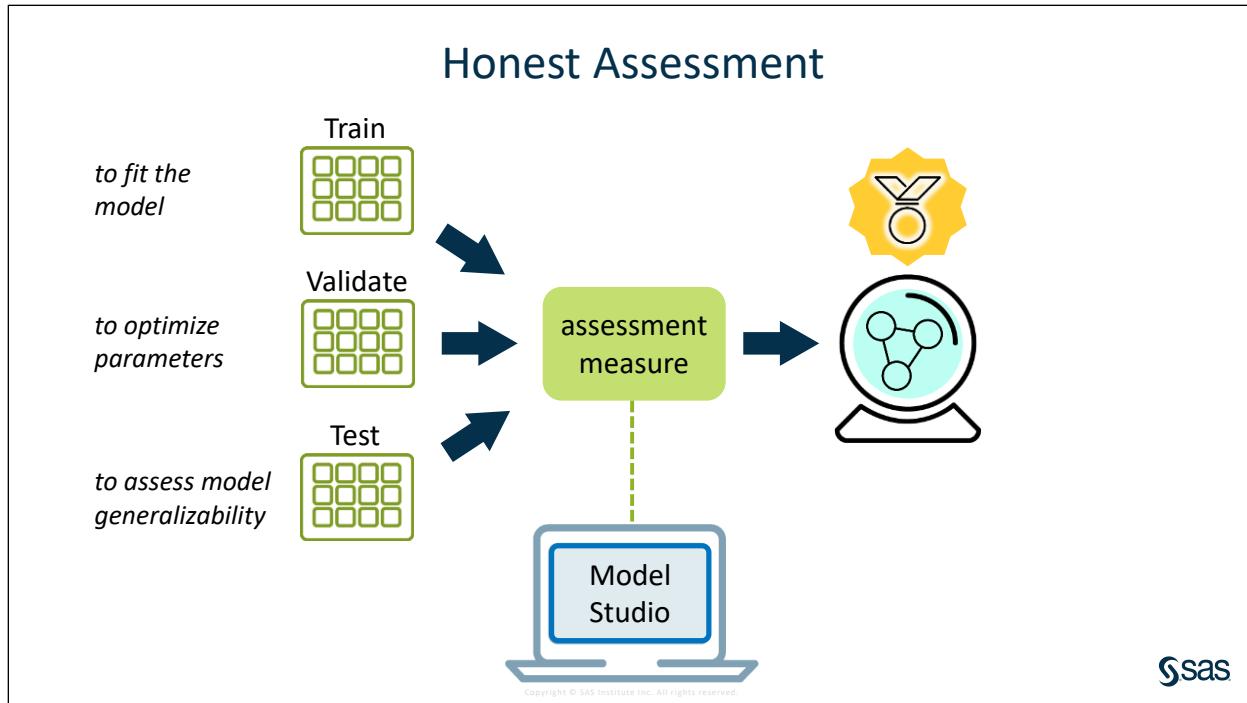


Model assessment is evaluating the efficacy of your models built.



No model is uniformly the best, particularly when considering the deployment over time, when data changes. You select a model primarily based on assessment measures and statistical graphics of performance. All models are based somehow on the data provided. The data describe the problem or the business scenario analyzed. When the scenario changes, the data change and the model can degrade in terms of predictions.

It is also important to evaluate the model according to the business needs. What is more important to a problem? The ability to explain the prediction, the model's accuracy, the speed to score, or the speed to train? In well-regulated industries, you need to explain the prediction, so some techniques are more suitable. In some business scenarios, the target might change dynamically, so the models need to be trained very fast. In some cases, the model needs to be scored in real time, so the scoring process is the most important variable in this equation. There is no universal best model. It depends on what is required in terms of problem solving and business needs.



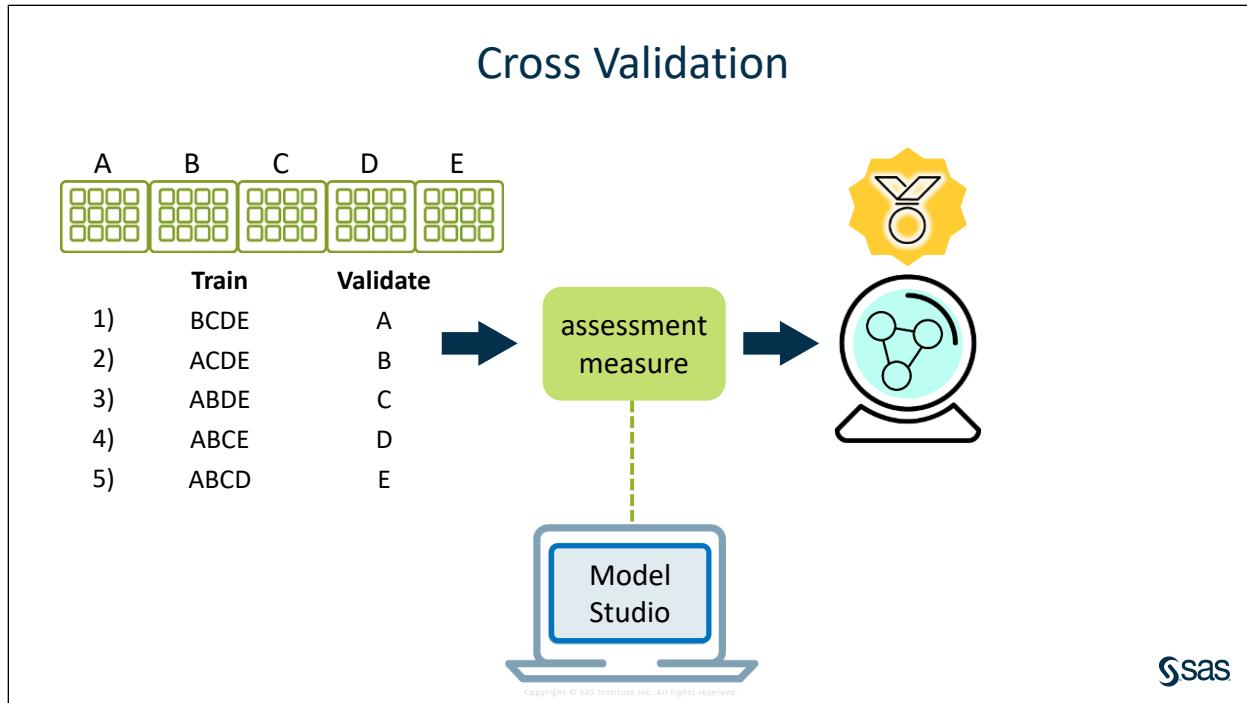
The purpose of predictive modeling is generalization, which is the performance of the model on new data (not used during the training process). As was stated before, evaluating the model on the same data on which the model was fit usually leads to an optimistically biased assessment. The simplest strategy for correcting the optimism bias is data splitting, where a portion of the data is used to fit the model and the rest is held out for empirical validation.

It is important that the validation data set is used to optimize the model hyperparameters. The training data set will be used to fit the model. The test data set is used to evaluate how the model would perform based on new data. It is useful to assess how the model can generalize to new data, which most likely will differ from the data used to train and validate the model.

The cases in these data sets (training, validation, and test) should be distinct. No case should be assigned to more than one data set.

To compare across several models, Model Studio uses a default assessment measure, which varies by the type of target. If you want, you can specify a different assessment measure. Model Studio computes all assessment measures for each available data partition (train, validate, and test).

Note: By default, Model Studio selects a champion model based on the validation data set unless a test data set is available. If you want, you can specify a different data set.



Another aspect of parameter tuning involves cross validation. For small data sets, a single validation partition might leave insufficient data for validation in addition to training. Keeping the training and validation data representative can be a challenge. For this reason, cross validation is typically recommended for model validation given small data sets.

Data splitting is a simple but costly technique. When the data set is too small to split into training and validation, we can use cross validation. Cross validation avoids overlapping test sets.

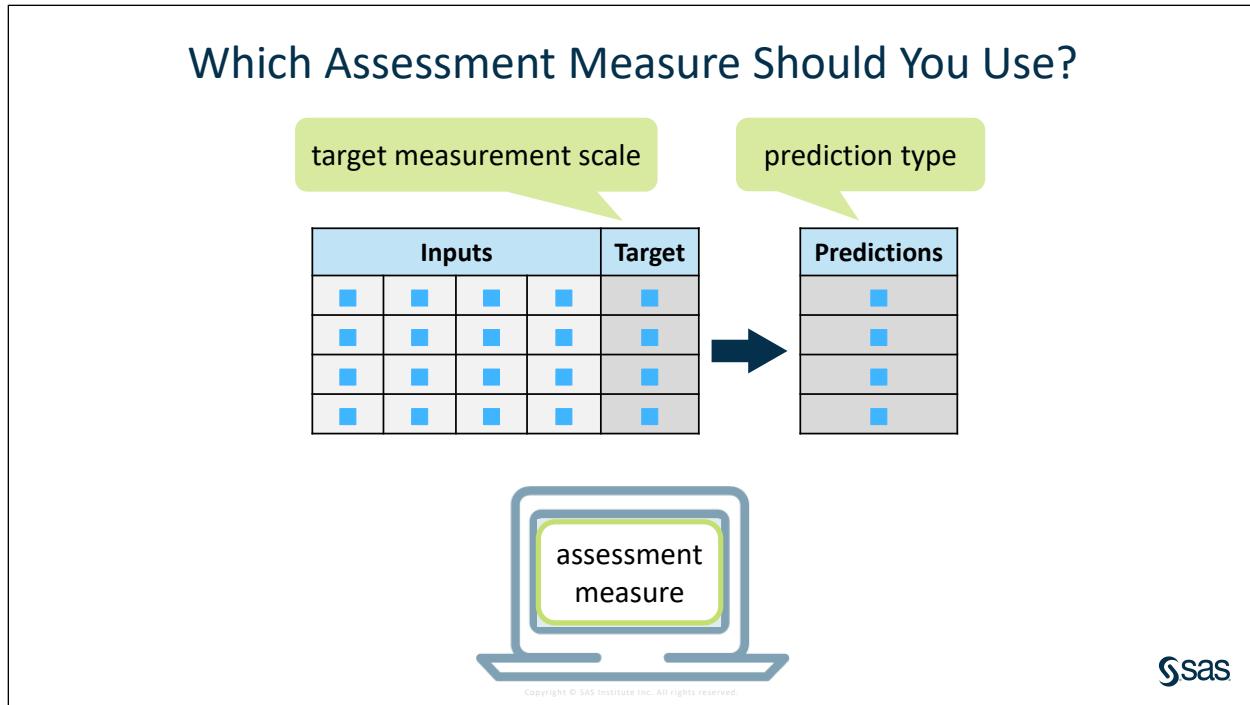
- First step: Data are split into k subsets of equal size.
- Second step: Each subset in turn is used for validation and the remainder for training.

This is called *k-fold cross validation*.

In a k -fold cross validation, the data set is divided into k subsets. For example, in a five-fold cross validation, the initial data set is divided into A, B, C, D, and E subsets. On the first run, the subsets B, C, D, and E are used to train the model, and the subset A is used to validate the model. Then the subsets A, C, D, and E are used to train the model, and the subset B is used to validate. The process goes on until all subsets are used for training and validation.

Often the subsets are stratified before the cross validation is performed. The error estimates are averaged to yield an overall error estimate.

This process can produce a better representation of error across the entire data set, because all observations are used for training and validation. The k models are all discarded and the final model is created using the entire data set. With this cross validation process, the trade-off is increased processing time.



Numeric measures used to evaluate model performance are called **assessment measures** or **fit statistics**. To compare models, you select an appropriate assessment measure based on two factors:

- the target measurement scale
- the prediction type

An assessment measure that is appropriate for a binary target might not make sense for an interval target. Similarly, an assessment measure that is suitable for decision predictions cannot be used for estimate predictions.

Assessment Measures

| Prediction Type | Fit Statistic |
|-----------------|--|
| ▶ Decisions | Accuracy/Misclassification KS Youden |
| ▶ Rankings | ROC Index Gini Coefficient |
| ▶ Estimates | Average Squared Error RMSE/SBC/AIC/Likelihood |

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Shown here are some common assessment measures for a binary target, given different prediction types. The type of prediction is one factor (along with the target type) that you must consider when you choose a model selection statistic.

Decision Predictions

With a binary target, you typically consider two decision types:

- the primary decision, corresponding to the primary outcome
- the secondary decision, corresponding to the secondary outcome

Matching the primary decision with the primary outcome yields a correct decision called a *true positive*. Likewise, matching the secondary decision to the secondary outcome yields a correct decision called a *true negative*. Decision predictions can be rated by their accuracy (that is, the proportion of agreement between prediction and outcome).

Mismatching the secondary decision with the primary outcome yields an incorrect decision called a *false negative*. Likewise, mismatching the primary decision to the secondary outcome yields an incorrect decision called a *false positive*. A decision prediction can be rated by its misclassification (that is, the proportion of disagreement between the prediction and the outcome).

In summary, decisions require high accuracy or low misclassification.

Ranking Predictions

Consider ranking predictions for binary targets. With ranking predictions, a score is assigned to each case. The basic idea is to rank the cases based on their likelihood of being a primary or secondary outcome. Likely primary outcomes receive high scores, and likely secondary outcomes receive low scores.

When a pair of primary and secondary cases is correctly ordered, the pair is said to be *in concordance*. Ranking predictions can be rated by their degree of concordance (that is, the proportion of such pairs whose scores are correctly ordered).

When a pair of primary and secondary cases is incorrectly ordered, the pair is said to be *in discordance*. Ranking predictions can be rated by their degree of discordance (that is, the proportion of such pairs whose scores are incorrectly ordered).

When a pair of primary and secondary cases ordered equal, the pair is said to be a *tied pair*. This implies that your model is not able to differentiate between primary and secondary outcomes. The fewer tied pairs, the better.

In summary, rankings require high concordance or low discordance.

Estimate Predictions

Finally, consider estimate predictions. For a binary target, estimate predictions are the probability of the primary outcome for each case. Primary outcome cases should have a high predicted probability. Secondary outcome cases should have a low predicted probability.

The squared difference between a target and an estimate is called the *squared error*. Averaged over all cases, squared error is a fundamental assessment measure of model performance.

When calculated in an unbiased fashion, the average squared error is related to the amount of bias in a predictive model. A model with a lower average squared error is less biased than a model with a higher average squared error.

In summary, estimates require low (average) squared error.

Selecting Model Fit Statistics by Prediction Type

Model fit statistics can be grouped by prediction type.

For **decision** predictions, the Model Comparison tool rates model performance based on accuracy or misclassification and profit or loss, and by the Kolmogorov-Smirnov (KS) statistic. Accuracy and misclassification tally the correct or incorrect prediction decisions. The Kolmogorov-Smirnov statistic describes the ability of the model to separate the primary and secondary outcomes.

Note: The Kolmogorov-Smirnov (Youden) statistic is a goodness-of-fit statistic that represents the maximum distance between the model ROC curve and the baseline ROC curve.

For **ranking** predictions, two closely related measures of model fit are commonly used. The ROC index is like concordance (described above). The Gini coefficient (for binary prediction) equals $2 * (\text{ROC Index} - 0.5)$.

Note: The ROC index equals the percent of concordant cases plus one-half times the percent of tied cases.

For **estimate** predictions, there are at least two commonly used performance statistics: average squared error and Schwarz's Bayesian criterion. By default the Model Comparison tool uses an interval selection statistic of average squared error. The Schwarz's Bayesian criterion (SBC) is a penalized likelihood statistic. This likelihood statistic can be thought of as a weighted average squared error.

Confusion Matrix

| | | Predicted Outcome | | |
|----------------|-----------|-------------------|-----------|-------|
| | | Primary | Secondary | |
| Actual Outcome | Primary | TP | FN | TP+FN |
| | Secondary | FP | TN | FP+TN |

$$\text{Sensitivity} = \frac{\text{TP}}{\text{TP} + \text{FN}} \quad \text{Specificity} = \frac{\text{TN}}{\text{TN} + \text{FP}}$$

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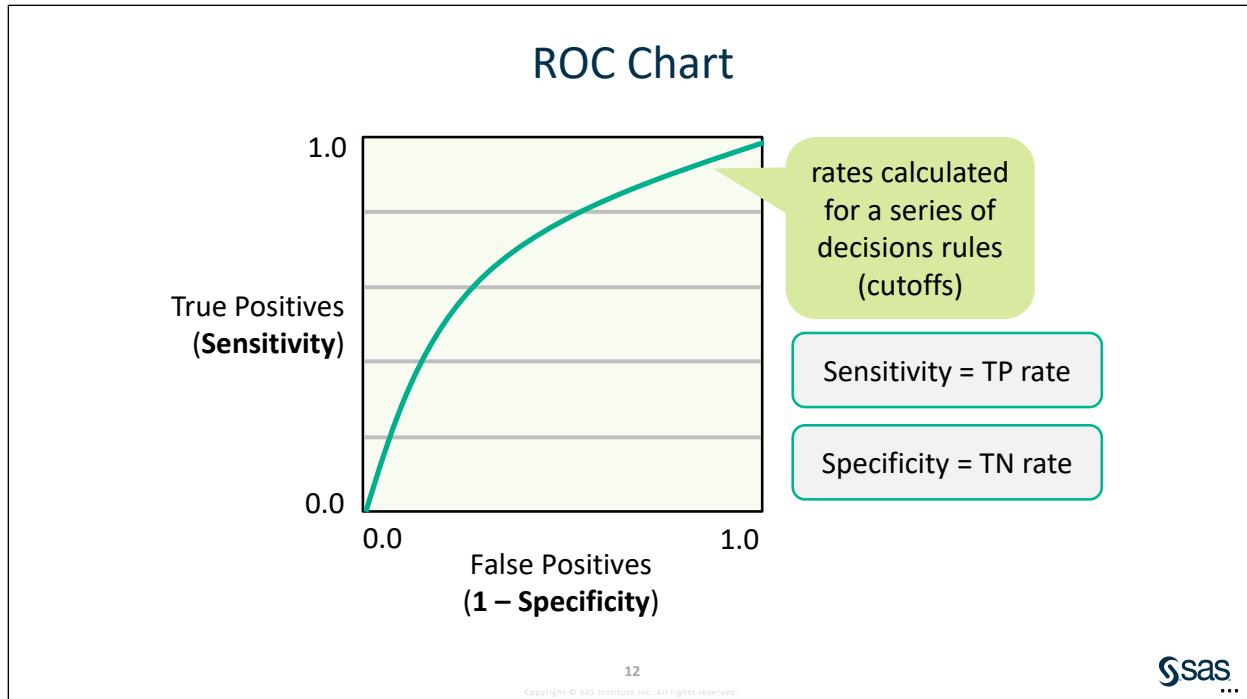
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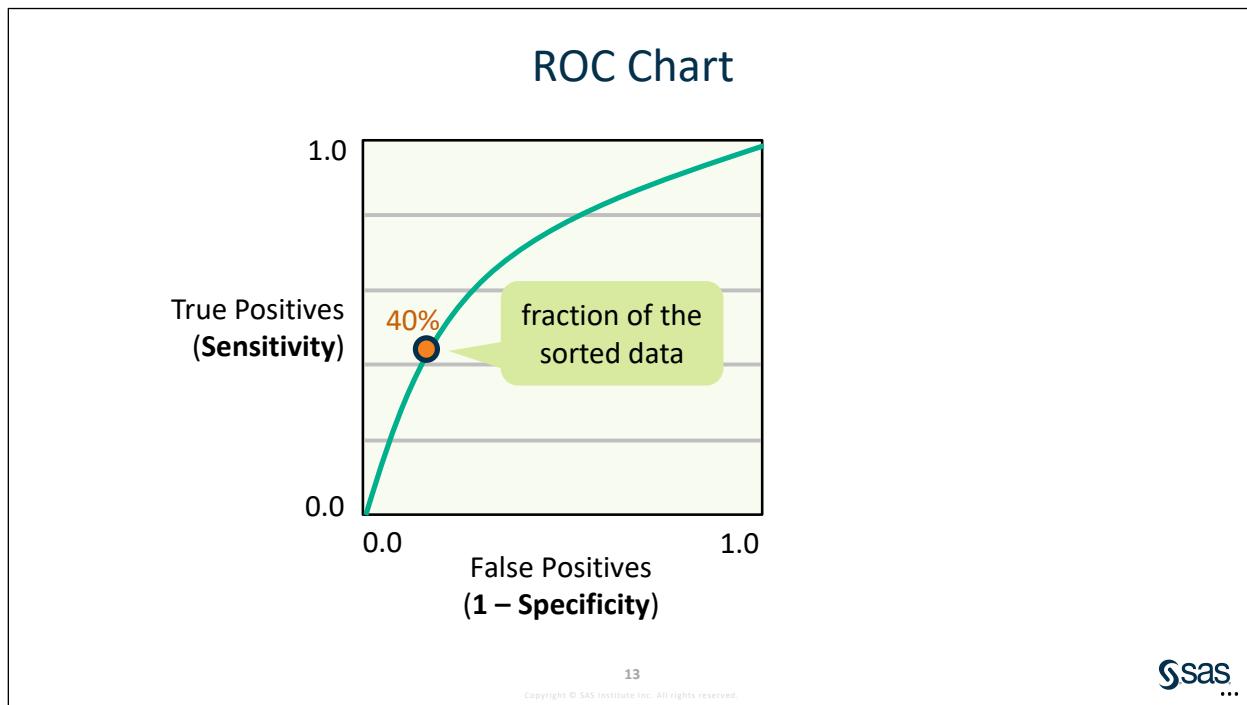
The confusion matrix is a common format for calculating and displaying assessment measures of model performance for decision predictions on a binary target. This matrix is a cross tabulation of the actual and predicted outcomes, based on a decision rule. A simple decision rule allocates cases to the target class with the greatest posterior probability. For binary targets, this corresponds to a 50% cutoff on the posterior probability.

A confusion matrix displays four counts: true positives, true negatives, false positives, and false negatives. A true positive (or TP) is a case known to be a primary outcome and also predicted as a primary outcome. A true negative (or TN) is a known secondary case predicted as a secondary case. A false positive (or FP) is a case that is predicted as a primary outcome but is actually a known secondary outcome. And a false negative (or FN) case is a case that is predicted as a secondary outcome but known to be a primary outcome.

True and false positives and true and false negatives are used to calculate various assessment measures, such as sensitivity and specificity. *Sensitivity*, the true positive rate, is the number of true positive decisions divided by the total number of known primary cases. *Specificity*, the true negative rate, is the number of true negative decisions divided by the total number of known secondary cases. These measures are the basis for the ROC chart, which you learn about next.

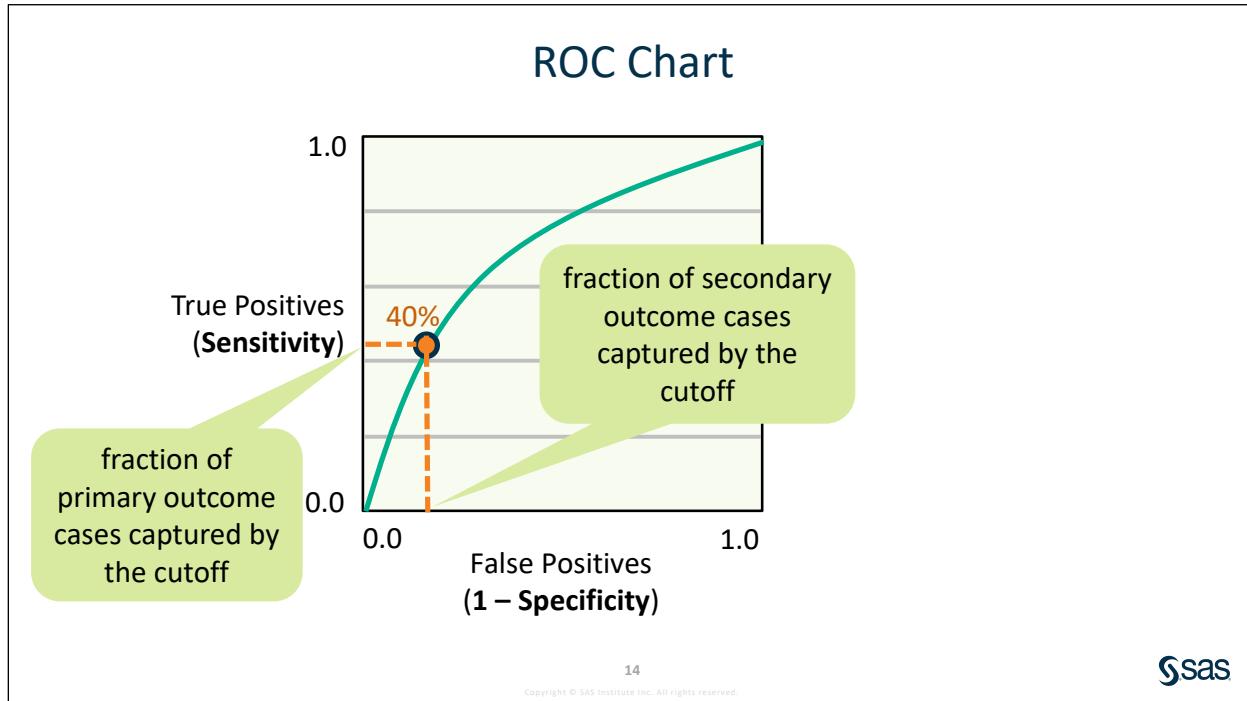


In addition to numeric measures of model performance, data scientists often use graphical tools to assess models as well. The ROC chart is a commonly used graphical representation of model performance for a binary target. ROC stands for *receiver operating characteristic*. ROC charts are based on measures of sensitivity and specificity. The sensitivity of a model is the true positive rate. The specificity of a model is the true negative rate.



It is easier to interpret ROC charts when you understand how they are constructed. To create an ROC chart, predictions are generated for a set of validation data. These predictions must be rankings or estimates. Then the validation data are sorted by the ranks or estimates, from high to low. This creates a list of cases, sorted in order of importance.

Each point on the ROC chart corresponds to a specific fraction of the sorted data. The sample point on this ROC chart corresponds to the selection of 40% of the validation data with the highest predicted probabilities. The selection value of this point cannot be seen from the chart.



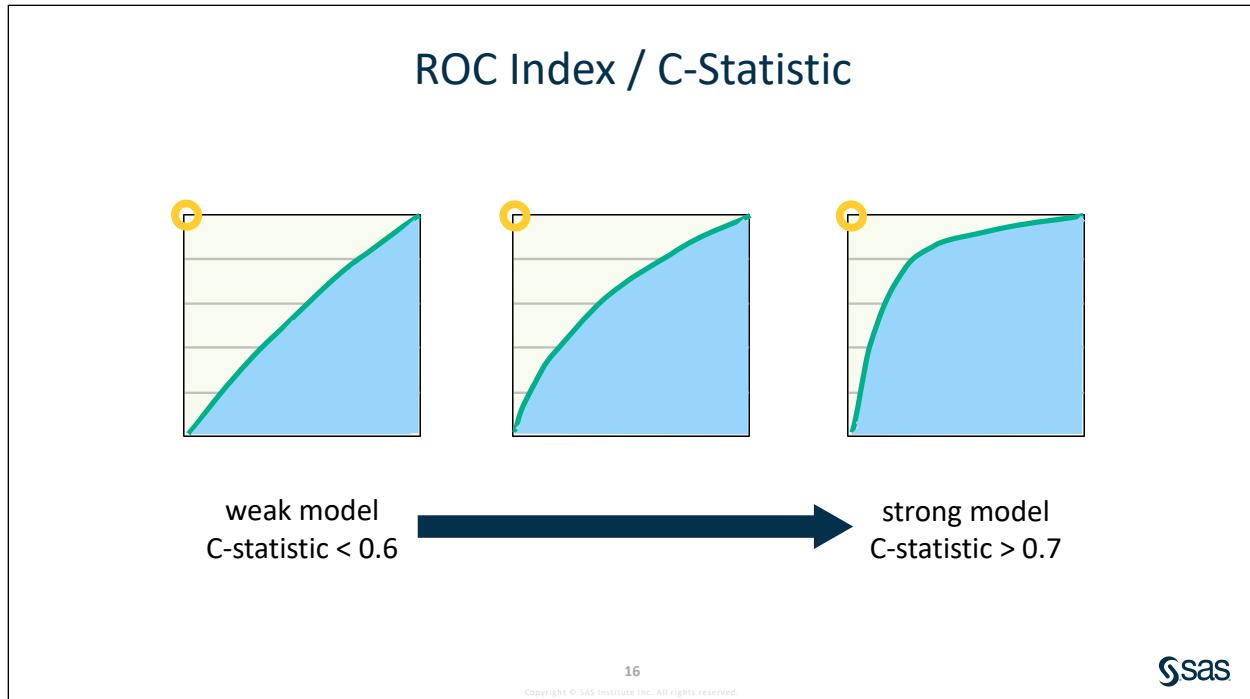
In the ROC chart, the Y axis represents the cumulative rate of true positives (that is, Sensitivity). The X axis represents the cumulative rate of false positives, which is 1 minus Specificity. The rate on each axis ranges from 0 to 1, so the plot is contained within a unit square. The rates are calculated for a series of decision rules (in other words, cutoffs) between 0% and 100%. However, the cutoffs are not shown in the chart.

For example, the orange point on the ROC chart corresponds to the selection of 40% of the validation data with the highest predicted probabilities.

The vertical, or y , coordinate of the red point indicates the fraction of primary outcome cases captured in the gray region (here, approximately 45%).

The horizontal, or x , coordinate of the red point indicates the fraction of secondary outcome cases captured in the gray region (here, approximately 25%).

The ROC chart represents the union of similar calculations for all selection fractions.



The ROC chart provides a nearly universal diagnostic for predictive models. Models that capture primary and secondary outcome cases in a proportion approximately equal to the selection fraction are weak models (left). Models that capture mostly primary outcome cases without capturing secondary outcome cases are strong models (right).

The tradeoff between primary and secondary case capture can be summarized by the area under the ROC curve. This area can be referred to as the *C-statistic*. (In machine learning literature, it is more commonly called the *ROC Index*.) Perhaps surprisingly, the C-statistic is closely related to concordance, the measure of correct case ordering.

6.01 Multiple Choice Question

Which of the following statements is true regarding the ROC curve?

- The vertical axis is the sensitivity, and the horizontal axis is specificity.
- The C-statistic equals the percent of concordant cases plus one-half times the percent of tied cases.
- A strong model has an ROC curve that follows a line that has a 45-degree angle going through the origin.
- The ROC curve has no upper bound on the Y axis.

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Charts Based on Response Rate



Which customers to contact?

- Cumulative percentile hit (CPH) chart
- Gains chart or Response chart
- Cumulative captured response percentage chart

Which is a better model?

- Lift chart

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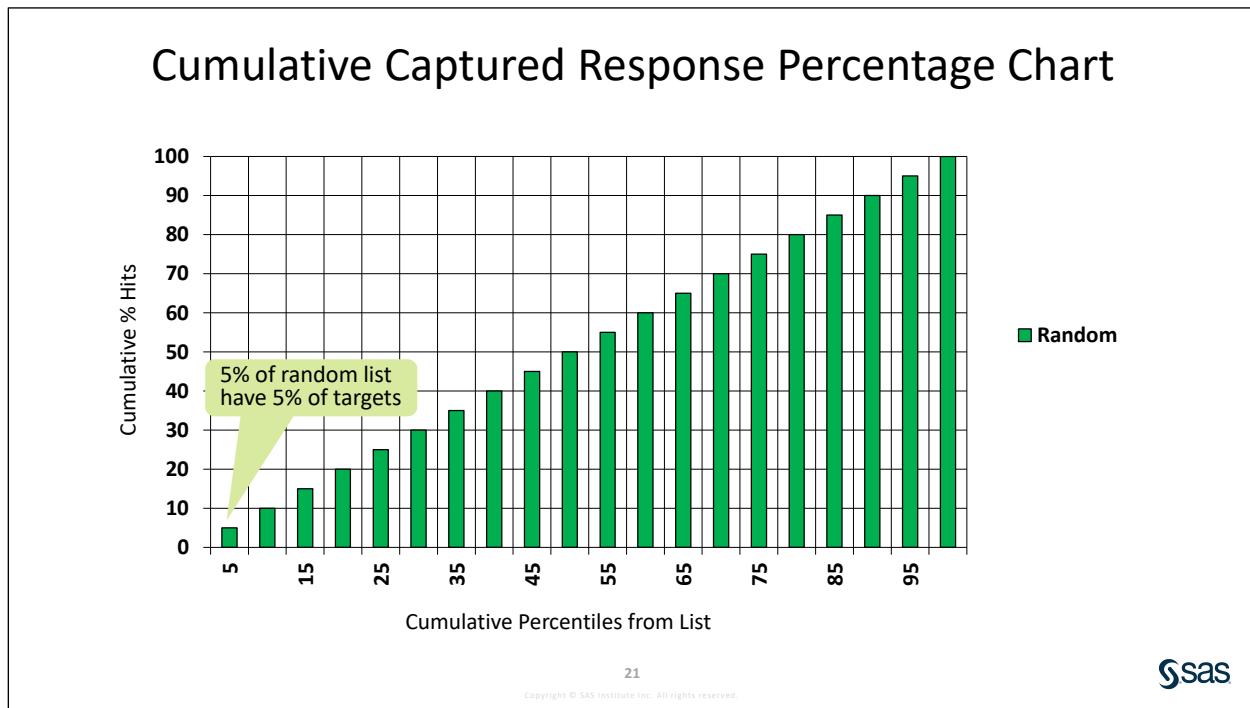
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Two graphical representations based on the response rate are of utmost importance:

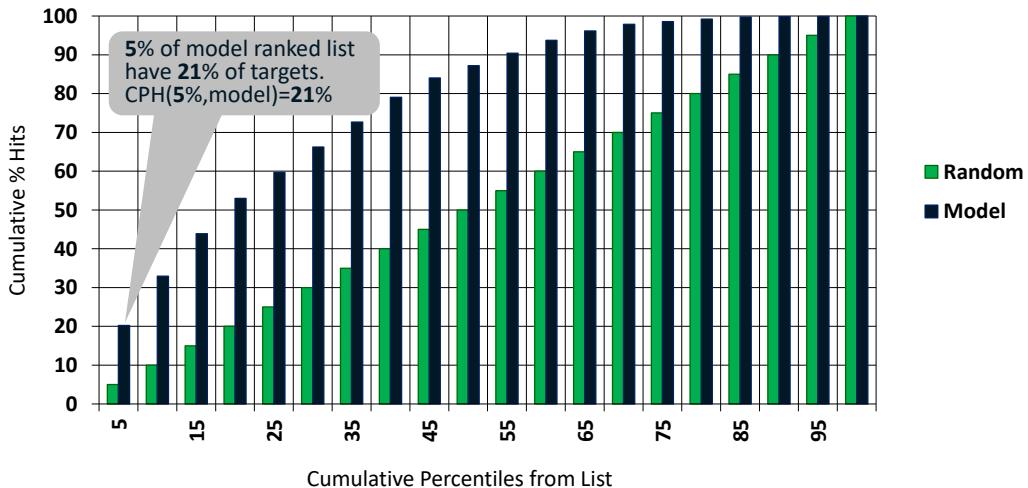
The *cumulative percentile hits* (or *CPH*) *chart* illustrates the advantage of using a predictive model to make business decisions as compared to not using a model (that is, having a baseline or random model). The CPH chart is also known by other names, such as the *Gains chart*. In Model Studio, this chart is called the *cumulative percent captured response chart*.

In addition, the lift chart helps you decide which models are better to use. If cost/benefit values are not available or changing, you can use lift to select a better model. The model with the highest lift curve is generally better for model deployment.



Suppose we want to choose which customers to contact for a direct marketing campaign. The historic response rate is 5%. This preliminary chart shows the cumulative percentile hits when we do not use a model. The Y axis represents the cumulative percentile hits. The X axis represents the cumulative percentiles from the list of cases (in this example, customers). This particular chart has 20 percentiles (that is, 20 bars). The first bar shows that 5% of the event cases are captured in the top 5% of customers. The selected fraction of cases (in this example, 5%) is known as the *depth*. Because the graph is cumulative, the second bar shows that 10% of the event cases are captured in the top 10% of customers.

Cumulative Captured Response Percentage Chart



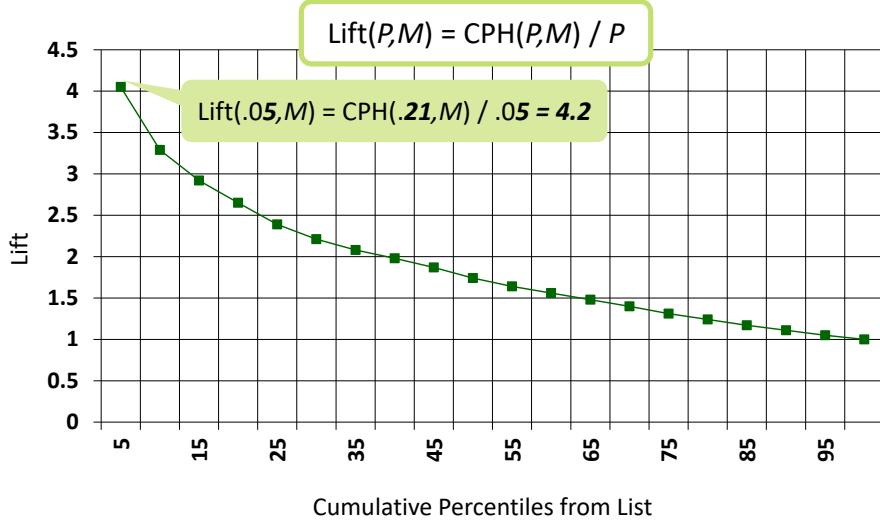
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The cumulative percentile hits based on a predictive model are now added to the chart. For the top 5% of customers ranked on their posterior probabilities, the model found that 21% responded. For the top 10% of customers (again, ranked by their posterior probabilities), the model found that 32% responded, when calculated cumulatively. For all fractions of customers, the chart shows that the model captures more responders than not using a model.

Cumulative Lift Chart



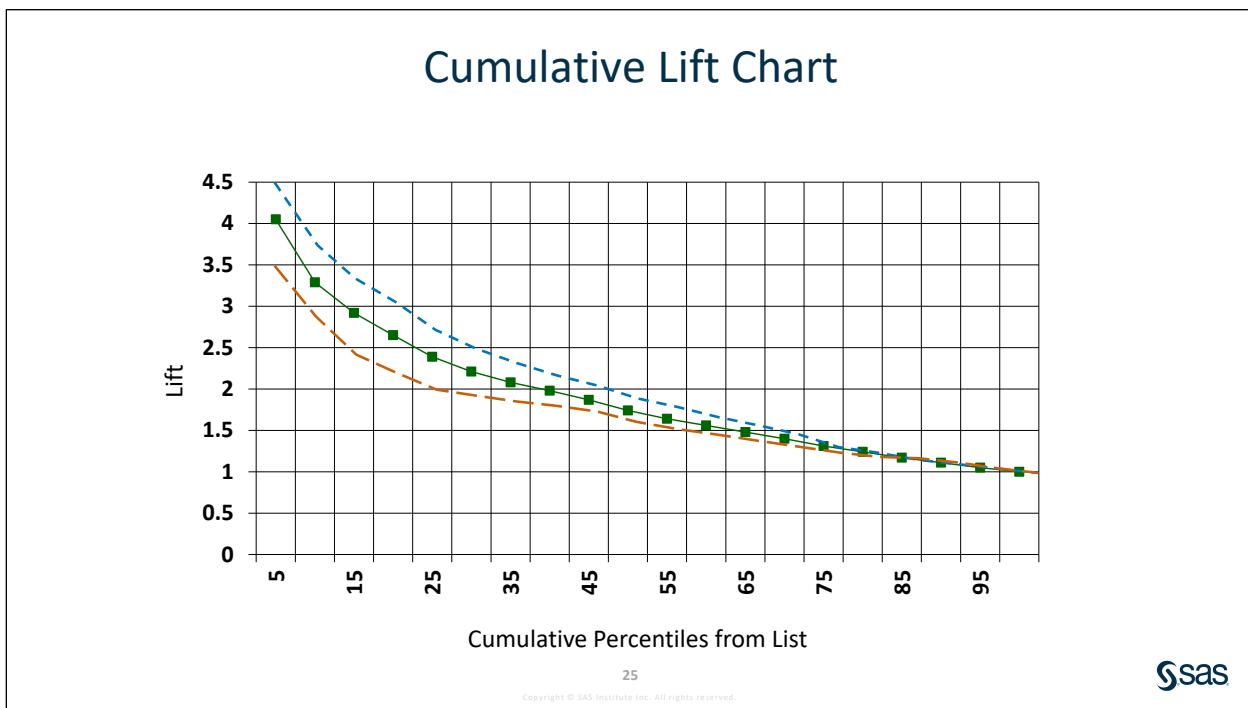
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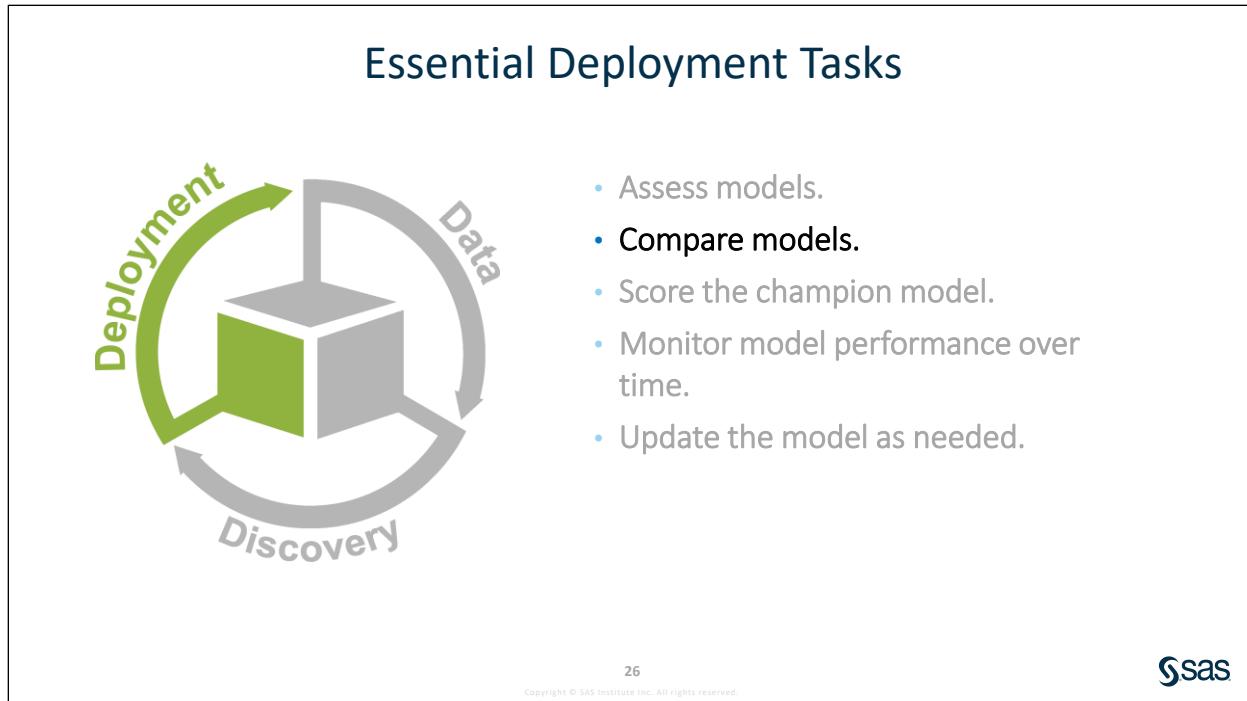


A *cumulative lift chart* is a graphical tool that illustrates the advantage of using a predictive model as compared to not using a model. A cumulative lift chart is often called a *lift chart*, a term that you have already heard in this course. Cumulative lift is a ratio of response rates. The response rate in the numerator equals the cumulative percentile hits for a given percentile (P) from a given model (M). The response rate in the denominator equals the cumulative percentile hits for the same percentile given no model.

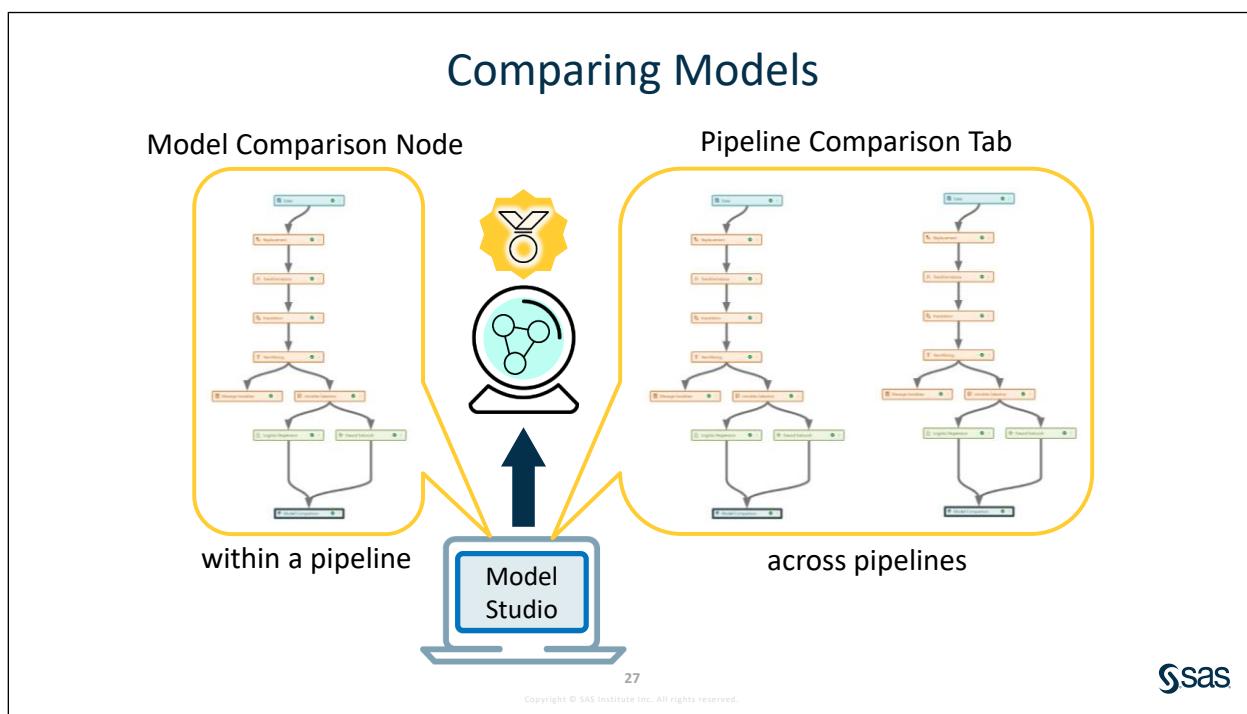
In the customer response example, the CPH for the top 5% of customers, given the model, was 21%. Given no model, the response rate for the top 5% of customers (from a randomly ordered list) is 5%. Thus, the lift at 5% is 21% divided by 5%, which is 4.2. This indicates that, for the top 5% of customers, the model captured 4.2 times as many responders, compared to not using a model. Here is the lift chart for the customer response example. The Y axis represents the lift, and the X axis represents the cumulative percentiles from the list. Notice the lift value 4.2 for the 5% percentile.



A lift chart can contain lines for multiple models, which is helpful for selecting the best model in a specific business scenario. The model with the highest lift curve is generally better for model deployment. However, the best model can vary depending on the percentile. For the customer response example, if you expect to contact 20% of your customers, you want to choose the model that performs best on this percentile.



Comparing several models is essential to determine the champion model that is scored last.



In Model Studio, you can compare models within a pipeline as well as across several pipelines using a Model Comparison node and the Pipeline Comparison tab, respectively.

The Model Comparison node is automatically added to a pipeline when a Supervised Learning node is added. The Model Comparison node enables you to compare the performance of competing models using various benchmarking criteria. There are many assessment criteria that can be used to compare models. For class targets, these include measures of error, lift-based measures, and measures derived from the ROC curve. You can select the measure and specify the depth to use when applying a lift-based measure or the cutoff to use when applying an ROC-based measure. For interval targets, there are various measures of error available for choosing the champion model. All measures of assessment are computed for each of the data partitions that are available (train, validate, and test). You can also select which data partition to use for selecting the champion.

The Pipeline Comparison tab compares only the champion models for each pipeline. The selected model from the Model Comparison node of each pipeline is added to the Pipeline Comparison tab. This enables you to compare models from the different pipelines in your project and select a champion model. To add models that were not selected by the Model Comparison node to the Pipeline Comparison tab, right-click the given model, and select **Add challenger model**.

There exist scenarios in which it might be appropriate to keep multiple models all within the same pipeline. There are also scenarios where building models across several pipelines might be more appropriate. Multiple pipelines can be a good organizational tool.

Model Studio gives you several options of model assessment and comparison. Below is a glossary of assessment measures offered.

Class selection statistics:

| | |
|---|--|
| Accuracy | A measure of how many observations are correctly classified for each value of the response variable. It is the number of event and non-event cases classified correctly, divided by all cases. |
| Area under the curve (C statistic) | A measure of goodness of fit for binary outcome. It is the concordance rate and it is calculated as the area under the curve. |
| Average squared error | The sum of squared errors (SSE) divided by the number of observations. |
| Captured response | The number of events in each bin divided by the total number of events. |
| Cumulative captured response | The cumulative value of the captured response rate. |
| Cumulative lift | Cumulative lift up to and including the specified percentile bin of the data, sorted in descending order of the predicted event probabilities. |
| F1 score | The weighted average of precision (positive predicted value) and recall (sensitivity). It is also known as the <i>F-score</i> or <i>F-measure</i> . |
| False discovery rate | The expected proportion of type error I – incorrectly reject the null hypothesis (false positive rate). |
| False positive rate | The number of positive cases misclassified (as negative). |

| | |
|--|---|
| Gain | Similar to a lift chart. It equals the expected response rate using the predictive model divided by the expected response rate from using no model at all. |
| Gini | A measure of the quality of the model. It has values between -1 and 1. Closer to 1 is better. It is also known as Somer's D. |
| Kolmogorov-Smirnov statistic (KS) | A goodness-of-fit statistic that represents the maximum separation between the model ROC curve and the baseline ROC curve. |
| KS (Youden) | A goodness-of-fit index that represents the maximum separation between the model ROC curve and the baseline ROC curve. |
| Lift | A measure of the advantage (or lift) of using a predictive model to improve on the target response versus not using a model. It is a measure of the effectiveness of a predictive model calculated as the ratio between the results obtained with and without the predictive model. The higher the lift in the lower percentiles of the chart, the better the model is. |
| Misclassification (Event) | Considers only the classification of the event level versus all other levels. Thus, a non-event level classified as another non-event level does not count in the misclassification. For binary targets, these two measures are the same. It is computed in the context of the ROC report. That is, at each cutoff value, this measure is calculated. |
| Misclassification (MCE) | A measure of how many observations are incorrectly classified for each value of the response variable. This is the true misclassification rate. That is, every observation where the observed target level is predicted to be a different level counts in the misclassification rate. |
| Multiclass log loss | The loss function applied to multinomial target. It is the negative log-likelihood of the true labels given a probabilistic classifier's prediction. |
| ROC separation | The area under the ROC curve is the accuracy. The ROC separation enables you to change the ROC-based cutoff and evaluate the model's performance under different ranges of accuracy. |
| Root average squared error | It is the square root of the average differences between the prediction and the actual observation. |

Interval selection statistics:

| | |
|--|---|
| Average squared error | The sum of squared errors (SSE) divided by the number of observations. |
| Root average squared error | The square root of the average squared differences between the prediction and the actual observation. |
| Root mean absolute error | The square root of the average differences between the prediction and the actual observation, not considering the direction of the error. |
| Root mean squared logarithmic error | The square root of the average squared differences between the prediction and the actual observation. The differences between the prediction and actual observation is measure by the log function. |



Comparing Multiple Models in a Single Pipeline

In this demonstration, you run the Model Comparison node in the Lesson 3 pipeline. You compare the models' performances based on different fit statistics.

Note: Although not shown here, you could look at the results of the Model Comparison node from any of the other pipelines where models were built.

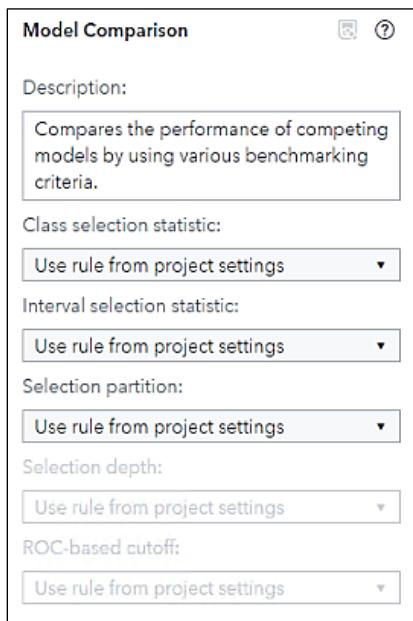
The Model Comparison node enables you to compare the performance of competing models using various assessment measures. There are many criteria that can be used to compare models. For class targets, there are 18 different measures, including measures of error, lift, and ROC. You can select the measure and specify the depth to use when applying a lift-based measure or the cutoff to use when applying an ROC-based measure. For interval targets, there are four measures of error: ASE, RASE, RMAE, and RMSLE. All measures of assessment are computed for each of the data partitions that are available (train, validate, and test). You can also select which data partition to use for selecting the champion.

Note: If multiple supervised learning nodes are connected to the Model Comparison node, then only successfully completed models are compared. Models that have failed or been stopped are not considered. The selected model from the Model Comparison node of each pipeline is added to the Pipeline Comparison tab. This enables you to compare models from the different pipelines in your project and to select a champion model.

1. You can change the default assessment measures on the **Project settings** option under the **Rules** property. (Recall that the shortcut button for **Project settings**  is found in the upper right corner of the project window.)

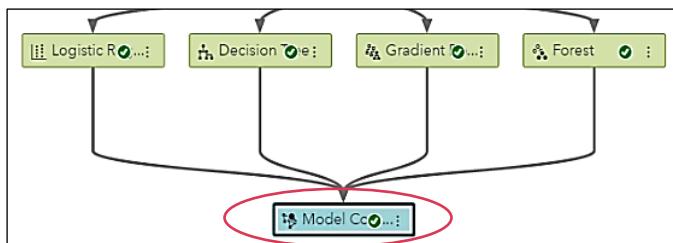
2. Click **Cancel** if you opened the Project settings window.

3. You can also change the default settings under the properties for the Model Comparison node. Click the **Lesson 3** pipeline tab to open it. Select the **Model Comparison** node. Its properties are shown below.



Note: The complete list of assessment measures is described in the course notes before the current demonstration.

- It is possible that tree-based models were built and assessed individually, but the Model Comparison node was not run. Right-click the **Model Comparison** node and select **Run**.
- When the Model Comparison node is done (the green check mark is visible), right-click the **Model Comparison** node and select **Results**.



The first results table shows the champion model based on the assessment measure selected. (This comparison does not include the models developed during the practices by using the Autotune feature.)

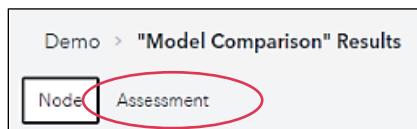
Note: The actual results might vary due to data distribution and nondeterministic algorithms.

| Champion | Name | Algorithm Name | KS (Yoden) | Misclassification Rate |
|---------------------|---------------------|---------------------|------------|------------------------|
| Gradient Boosting | Gradient Boosting | Gradient Boosting | 0.5925 | 0.0618 |
| Forest | Forest | Forest | 0.5903 | 0.0646 |
| Decision Tree | Decision Tree | Decision Tree | 0.5583 | 0.0683 |
| Logistic Regression | Logistic Regression | Logistic Regression | 0.5488 | 0.0808 |

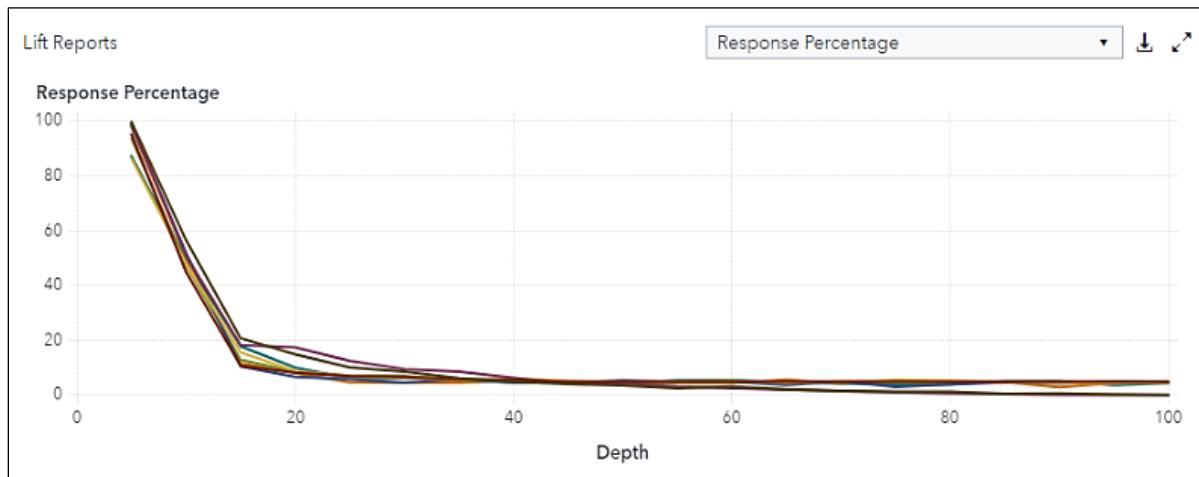
The criteria used to evaluate the models and select the champion are shown in the Properties table.

| Properties | |
|----------------------------|-----------------------------------|
| Property Name | Property Value |
| selectionCriteriaClass | Kolmogorov-Smirnov statistic (KS) |
| selectionCriterialInterval | Average squared error |
| selectionTable | Validate |
| selectionDepth | 10 |
| cutoff | 0.5000 |

6. Click the **Assessment** tab to see more results.



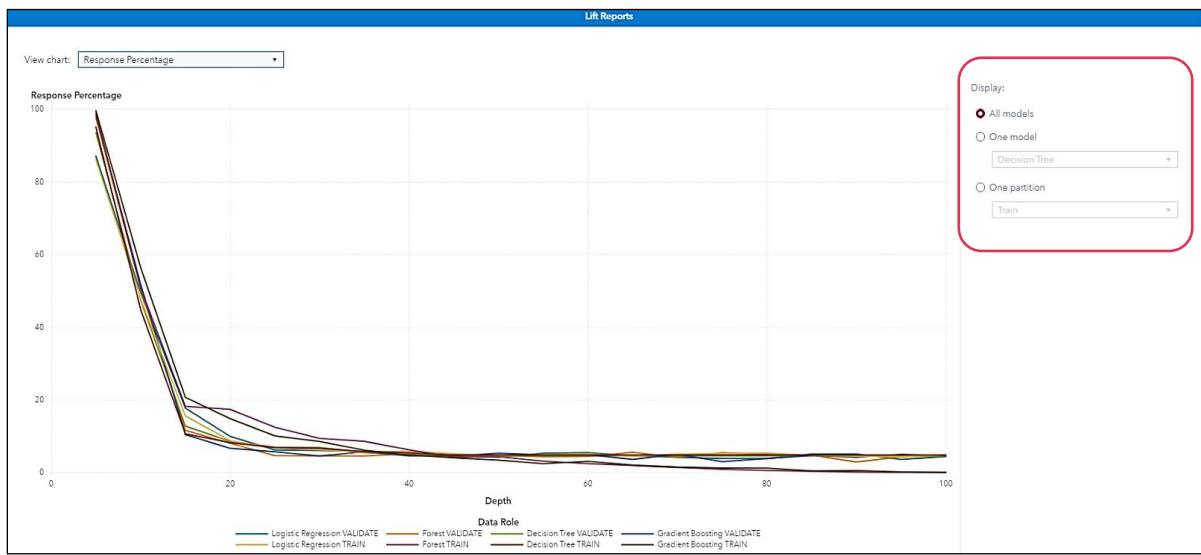
On the Assessment tab, you can find two plots and one table that present the performance and the fit statistics for all the models compared. The first plot is *Lift Reports*, which displays Response Percentage by default. From a menu, you also have the options to see the models' performance based on the Captured Response Percentage, Cumulative Captured Response Percentage, Cumulative Response Percentage, Cumulative Lift, Gain, and Lift.



Note: The chart must be expanded to reveal the legend that indicates which colored line represents which model and on what partition.

The Lift Reports chart by default shows the performance for all models in the pipeline for all data partitions. You can also change the chart so that it displays the performance of only a single model or for the performance of all models only for a certain partition by expanding it.

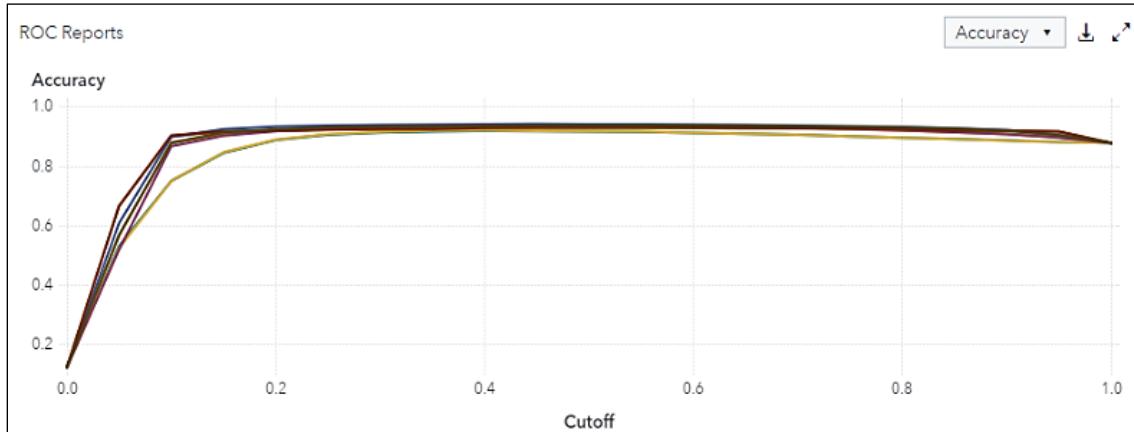
7. Expand the **Lift Reports** chart.



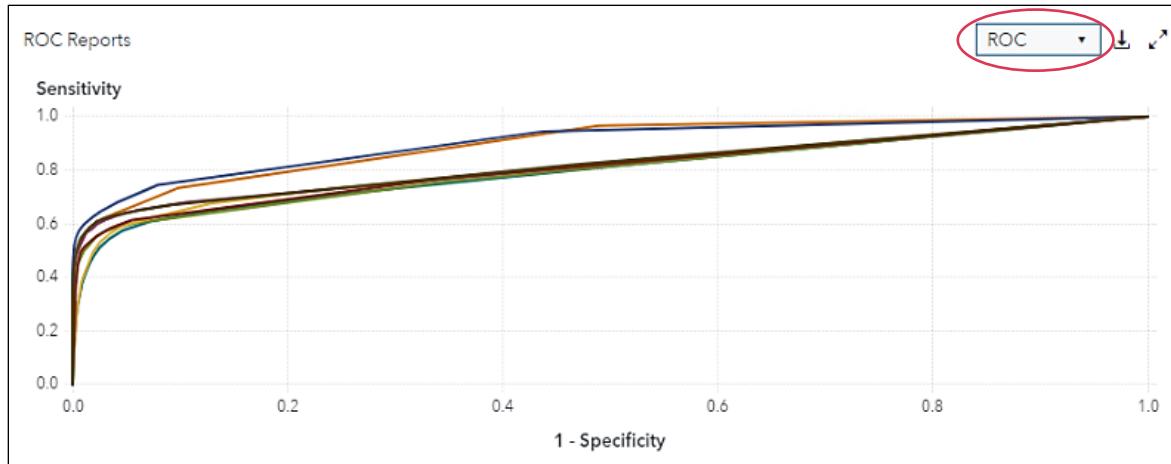
First, notice that the legend is now visible at the bottom of the plot, indicating the color of line corresponding with each model and on what partition. Also, from the column on the right, you can choose to display the results for a single model or the results for all models based on a single partition. Make different selections to see how the chart is affected.

8. Restore the **Lift Reports** chart.

The second plot is *ROC Reports*, which is based on **Accuracy** by default. The menu provides options to enable you to see the models' performances based on the F1 Score and ROC from the drop-down menu.



Here is the ROC Reports chart showing ROC.



Note: Just as with the Lift Reports chart, you can expand the ROC Reports chart to review the color legend. You can also choose to view a single model or a certain partition from the expanded view.

Finally, the *Fit Statistics* table shows all models' performances based on the data partitions defined in the project (train, validate, and test) for a series of fit statistics, such as Area Under ROC, Average Squared Error, Gini Coefficient, and KS.

| Fit Statistics | | | | |
|-----------------------|------------------------|------------------------|----------------------|-------------------------|
| Statistics Label | Train: Gradient Boo... | Validate: Gradient ... | Train: Decision Tree | Validate: Decision T... |
| Area Under ROC | 0.9023 | 0.8221 | 0.8014 | 0.8098 |
| Average Squared Error | 0.0490 | 0.0545 | 0.0609 | 0.0603 |
| Divisor for ASE | 39,590 | 16,967 | 39,590 | 16,967 |
| Formatted Partition | 1 | 0 | 1 | 0 |
| Gamma | 0.9001 | 0.7616 | 0.7590 | 0.7719 |
| Gini Coefficient | 0.8046 | 0.6442 | 0.6028 | 0.6196 |
| KS (Youden) | 0.6658 | 0.5924 | 0.5442 | 0.5583 |

9. Close the results.

End of Demonstration

6.02 Multiple Choice Question

When you have an interval target, which of the following fit statistics can you use to select the champion model?

- a. area under the curve (C-statistic)
- b. average squared error
- c. cumulative lift
- d. misclassification



Comparing Multiple Models across Pipelines and Registering the Champion Model

The Pipeline Comparison tab enables you to compare the best models from each pipeline created. In addition, it enables you to register the champion model and use it in the Manage Models tool.

Note: The models built in student practices and self-study demonstrations are ignored in this demonstration.

1. Click **Pipeline Comparison**.

At the top, you see the champion model from each pipeline as well as the model deemed the overall champion in the pipeline comparison—that is, the champion of champions. In addition, several charts and tables are provided that summarize the performance of the overall champion model, show the variable importance list of the model, provide training and score codes, and show other outcomes from the selected best model. The default assessment measure for Pipeline Comparison is Kolmogorov-Smirnov (KS).

| Champion | Name | Algorithm Name | Pipeline Name | KS (Youden) | Sum of Frequencies |
|-------------------------------------|---------------------|---------------------|------------------|-------------|--------------------|
| <input checked="" type="checkbox"/> | Gradient Boosting | Gradient Boosting | Lesson 3 | 0.592 | 16,967 |
| <input type="checkbox"/> | SVM | SVM | Lesson 5 | 0.566 | 16,967 |
| <input type="checkbox"/> | Neural Network | Neural Network | Lesson 4 | 0.554 | 16,967 |
| <input type="checkbox"/> | Logistic Regression | Logistic Regression | Starter Template | 0.549 | 16,967 |

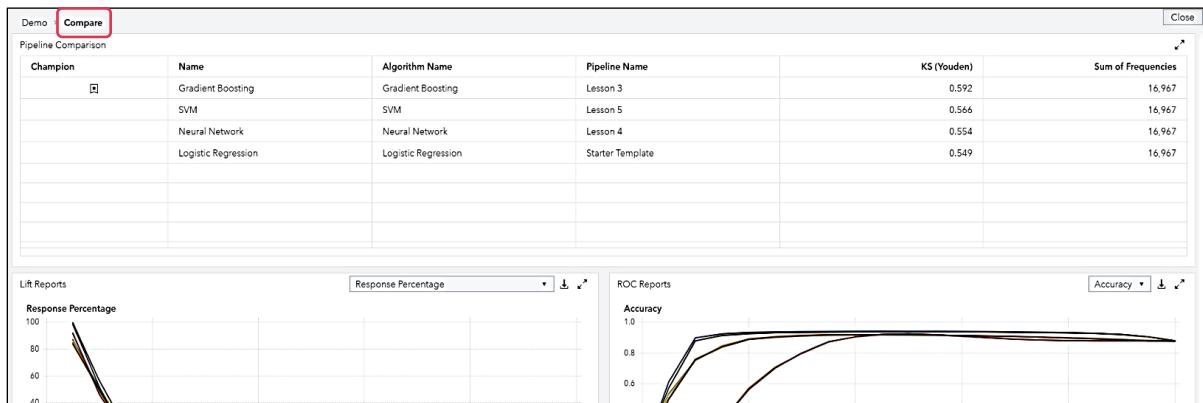
All the results shown are for the overall champion model only. There might be a need to perform a model comparison of each of the models shown.

2. Select the check boxes next to all the models shown at the top of the Results page. You can also select the check box next to **Champion** at the top of the table.

3. When multiple models are selected, the Compare button in the upper right corner is activated. Click the **Compare** button.



The Compare results are shown, where assessment statistics and graphics can be compared across all champion models from each of the pipelines.

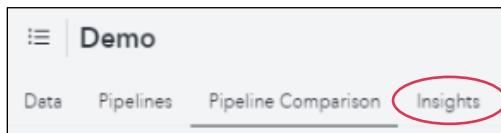


Note: Just as with the graphical displays from the Model Comparison node within a pipeline, the graphical displays here can be expanded to review the legend as well as select subsets of the information to display.

4. Close the Compare results window and deselect models in the table at the top of the window until only the overall champion model is selected. The overall project champion model is indicated with the star symbol in the Champion column.

| <input type="checkbox"/> | Champion | <input checked="" type="checkbox"/> | Name |
|-------------------------------------|----------|-------------------------------------|---------------------|
| <input checked="" type="checkbox"/> | | <input checked="" type="checkbox"/> | Gradient Boosting |
| <input type="checkbox"/> | | <input type="checkbox"/> | SVM |
| <input type="checkbox"/> | | <input type="checkbox"/> | Neural Network |
| <input type="checkbox"/> | | <input type="checkbox"/> | Logistic Regression |

5. Before the champion model is registered in preparation for deployment, let's look at the summary information provided by the Insights tab. Click the **Insights** tab.



The Insights tab contains summary information in the form of a report for the project, the champion model, and any challenger models. For the purposes of the Insights tab, a champion model is the overall project champion model, and a challenger model is one that is a pipeline champion, but not the overall project champion.

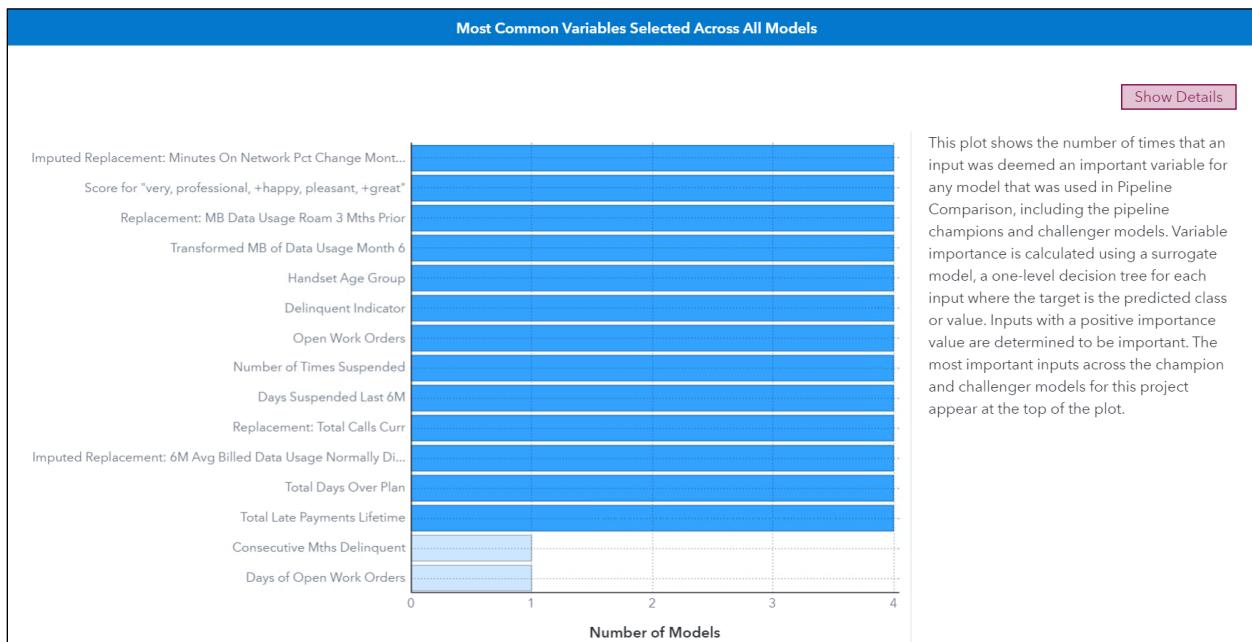
At the top of the report is a summary of the project and a list of any project notes. Summary information about the project includes the target variable, the champion model, the event rate, and the number of pipelines in the project.

| Project Summary | | | |
|---|------------|-------------------|-------------------------|
| The champion model for this project is Gradient Boosting. The model was chosen based on the KS (Youden) for the Validate partition (0.58). 93.64% of the Validate partition was correctly classified using the Gradient Boosting model. The five most important factors are Handset Age Group, Total Days Over Plan, Days Suspended Last 6M, Transformed MB of Data Usage Month 6, and Replacement: Total Calls Curr. | | | |
| Project Target: | Churn Flag | Project Champion: | Gradient Boosting |
| Event Percentage: | 12.1329 % | Created By: | Student |
| Pipelines: | 4 | Modified: | Jul 24, 2019 2:22:18 PM |

Project Notes

Add comments here

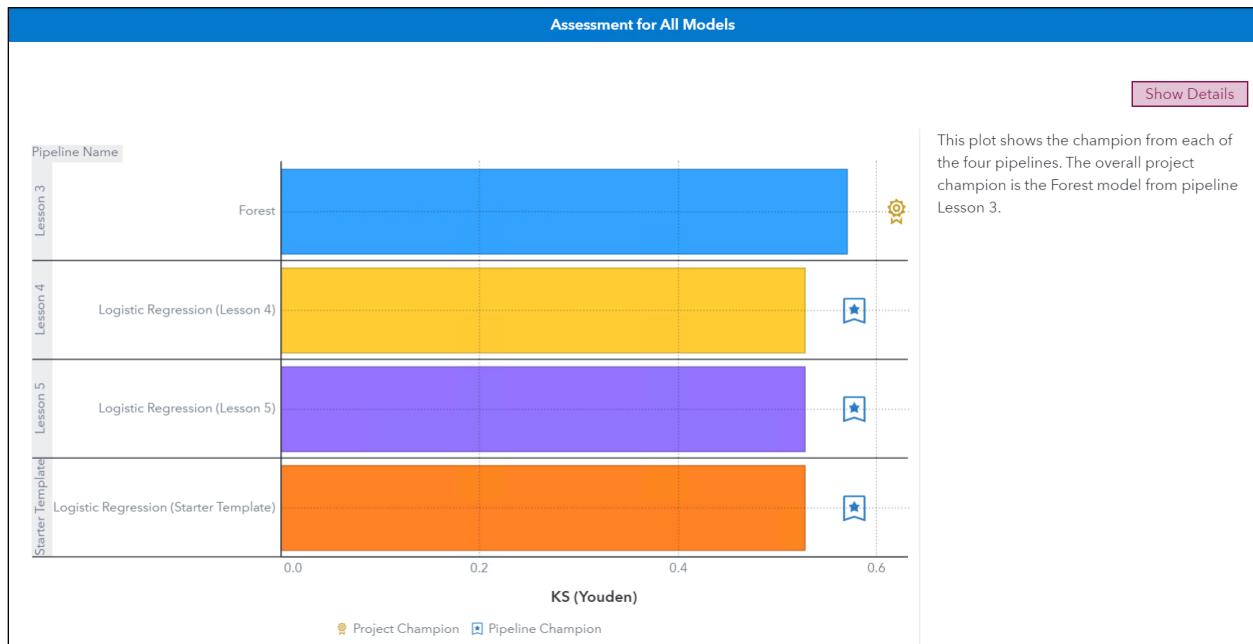
6. Maximize the plot for **Most Common Variables Selected Across All Models**. This plot summarizes common variables used in the project by displaying the number of pipeline champion models that the variables end up in. Only variables that appear in models used in the pipeline comparison are displayed.



The plot shows that many variables were used by all four models in the pipeline comparison. These variables are listed at the top of the plot. Two variables were used in only one model in the pipeline comparison. These variables are listed at the bottom of the plot.

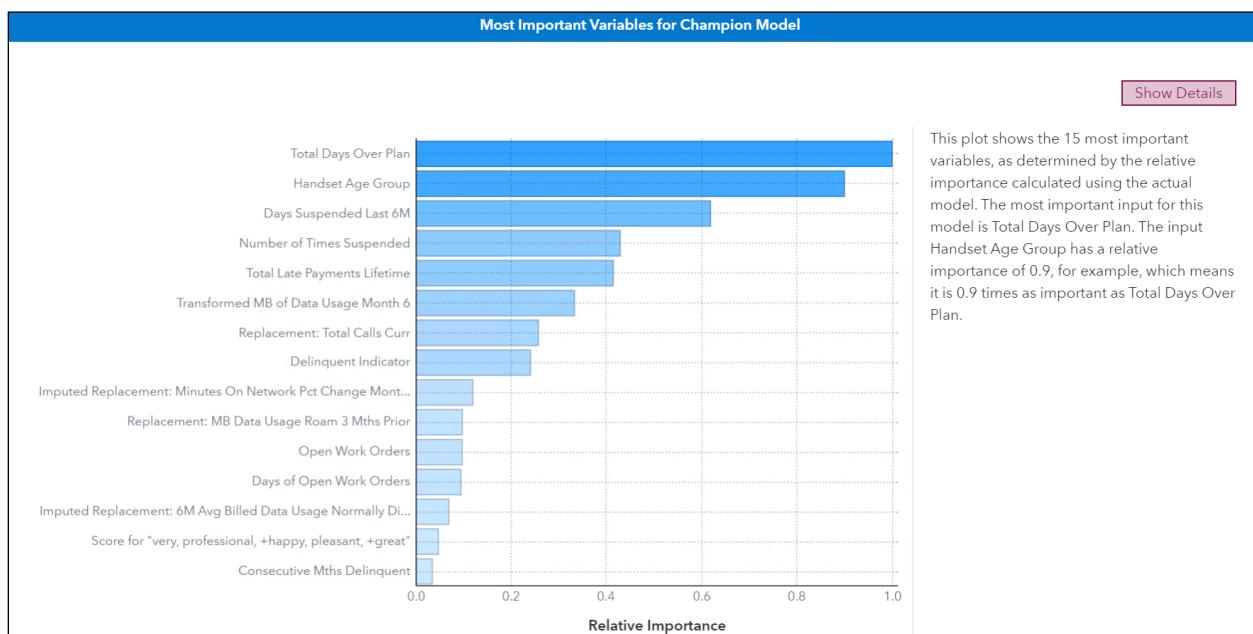
7. Restore the **Most Common Variables Selected Across All Models** plot.

8. Maximize the **Assessment for All Models** plot. This plot summarizes model performance for the champion model across each pipeline and the overall project champion.



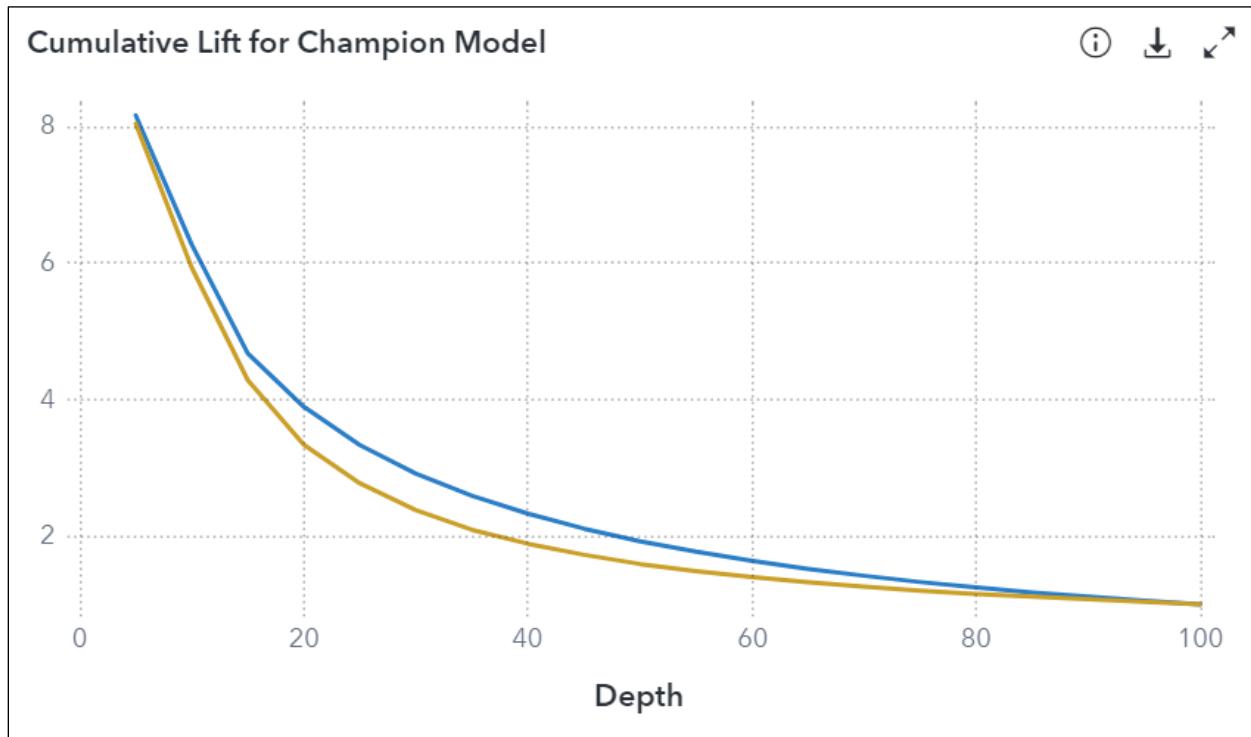
The plot shows that the overall project champion model is the forest model, which came from pipeline Lesson 3. The KS value for this model is nearly 0.6. The Project Champion icon next to the model indicates that it is the project champion.

9. Restore the **Assessment for All Models** plot.
10. Maximize the **Most Important Variables for Champion Model** plot. This plot shows the most important variables, as determined by the relative importance calculated using the actual overall champion model.



The plot shows that the most important variable for the overall champion model is **Total Days Over Plan**. The relative importance of the variable **Handset Age Group** is about 90% of the importance for **Total Days Over Plan**. This means that **Handset Age Group** is 0.90 times as important as **Total Days Over Plan** for this model.

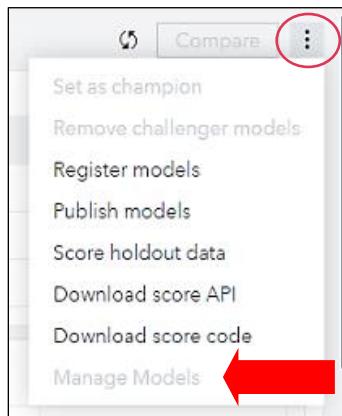
11. Restore the **Most Important Variables for Champion Model** plot.
12. Finally, at the bottom of the report is the Cumulative Lift for Champion Model plot. This plot displays the cumulative lift for the overall project champion model for both the training and validation partitions.



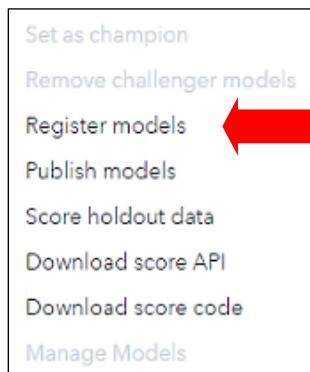
13. Now that we have gained additional insights into the project and the models that it contains, we prepare for model deployment. Return to the pipeline comparison results by clicking the **Pipeline Comparison** tab.



14. Make sure that only the champion model is selected. Click the three vertical dots in the right top corner to access the Project pipeline menu. Note that Manage Models is not available.



15. Select **Register models**.



The Register Models window appears.

The spinning circle next to **Registering** in the Status column indicates that the selected model (in this case, **Forest**) is actively being registered so that the model is available to other SAS applications.

After registration is complete, the Register Models window is updated to indicate that the registration process has successfully completed.

| Register Models | |
|-----------------|---------------------------|
| Models | |
| Name: | Status: |
| Forest | ✓ Registered successfully |
| | |
| | |

When the champion model is registered, it can be viewed and used in SAS Model Manager, where you can export the score code in different formats, deploy the model, and manage its performance over time.

16. Close the Register Model window after the model is registered successfully.

End of Demonstration

6.2 Model Deployment

Essential Deployment Tasks



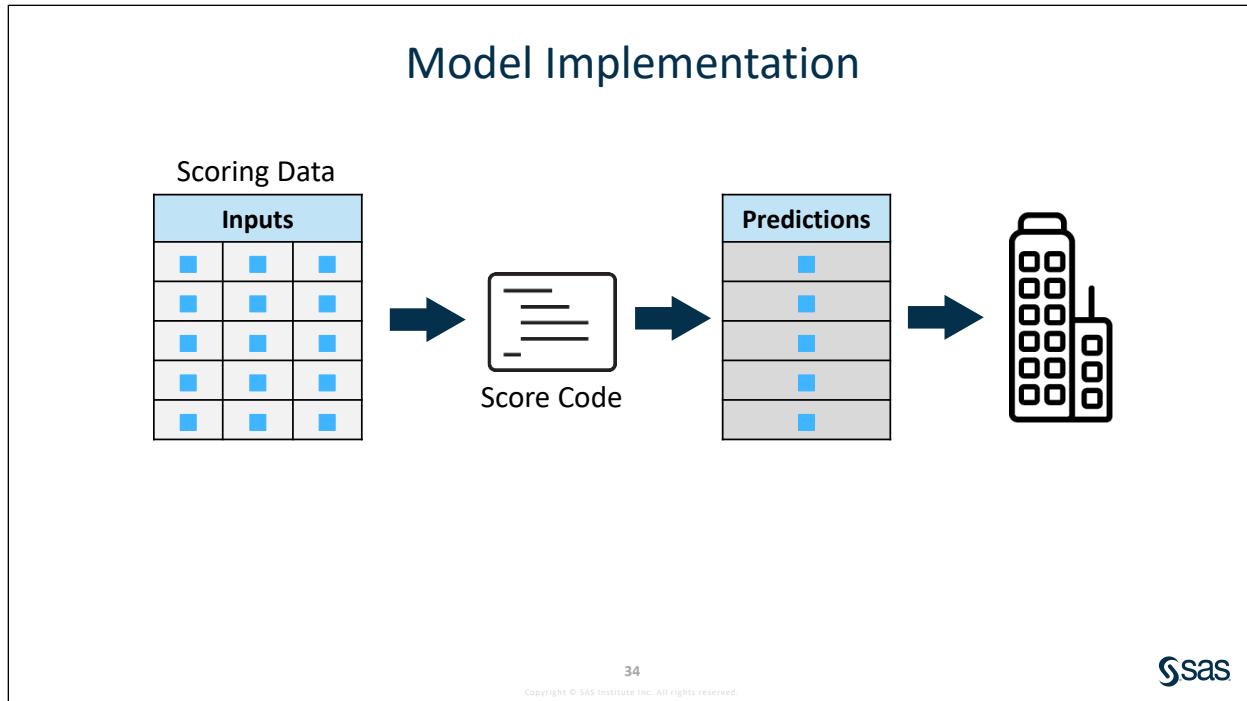
The diagram illustrates the model deployment cycle. It features a central 3D cube composed of a green front face and a grey back face. This central cube is surrounded by three curved arrows forming a circle. The top arrow is green and labeled "Deployment". The right arrow is grey and labeled "Data". The bottom arrow is grey and labeled "Discovery". The arrows indicate a continuous loop between these three phases.

- Assess models.
- Compare models.
- Score the champion model.
- Monitor model performance over time.
- Update the model as needed.

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sas

Scoring is the generation of predicted values for a data set that might not contain a target variable.



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After selecting a champion model, it is time to put the model to use by scoring new data. The scoring process is sometimes referred to as *model deployment*, *model production*, or *model implementation*. All tasks performed earlier in the analytics life cycle lead to this task: generating predictions through scoring. An organization gets value from the model when it is in production. To maximize that value, it is necessary to monitor model performance over time and update the model as needed.

For scoring, the model is first translated into another format (typically, score code). In the SAS Viya environment, score code is a SAS program that you can easily run on a scoring data set. Then the model is applied to the scoring data set to obtain predicted outcomes. Based on the predictions from the model, the enterprise makes business decisions and takes action.

Scoring Your Models

Model Studio creates two types of SAS language score code for the purpose of scoring new data:

- DATA Step
- Analytic Store (ASTORE)

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There are two types of score code that Model Studio nodes can create: DATA step or analytic store (also known as ASTORE). To generate score code for an entire pipeline, the score code for each node producing Node score code is appended together into a single DATA step. When the nodes in a pipeline produce multiple analytic stores, or one or more analytic stores and DATA step score code, an EP score code file is created. EP score code represents the score code produced by these pipelines. To run this code outside Model Studio, see “[Running Your Score Code from Analytic Store Models](#)” in SAS documentation.

The following table summarizes which Model Studio nodes produce score code, as well as the types of code that they produce:

| DATA Step | | Analytic Store (ASTORE) |
|--------------------|---------------------|--------------------------------|
| Clustering | Imputation | Anomaly Detection |
| Decision Tree | Linear Regression | Bayesian Network |
| Ensemble | Logistic Regression | Forest |
| Feature Extraction | Neural Network ** | Gradient Boosting |
| Filtering | Replacement | SVM |
| GLM | Transformations | Text Mining |

** DATA step for networks with fewer than six layers, analytic store for networks with six or more layers.

After you download the score code, there are several model deployment options in SAS Viya:

- The Score Data node in Model Studio enables you to score a data table with the score code that was generated by the predecessor nodes in the pipeline. The scored table is saved to a caslib. By default, the scored table is temporary, exists only for the duration of the run of a node, and has local session scope. The Score Data node enables you to save the scored table to disk in the location that is associated with the specified output library. After it is saved to disk, this table can be used by other applications for further analysis or reporting.
- Models that create ASTORE code can be scored in SAS Studio using the ASTORE procedure.
- You can also run a scoring test in SAS Model Manager. This is shown later.
- Model Studio creates API for score code to be called from SAS or Python or through a REST API. Within a project in Model Studio, you can go to the Pipeline Comparison tab and click the **Project pipeline** menu (three vertical dots) in the upper right and select **Download score API**. The code that it provides can be used directly in other applications. (You just need to modify the CAS server and port that you are calling, the data source that you want to score, and the name of the output caslib and scored output table.) Even when you call the score code through the API from a Python program, the score code runs in CAS not in Python.
- Score code can also be published to Micro Analytics Services (web service) and to SAS Event Stream Processing.

SAS Model Manager



- Store SAS and open source models within projects or as stand-alone models.
- Develop and validate candidate models.
- Assess and compare candidate models for champion model selection.
- Then publish and monitor champion and challenger models to ensure optimal model performance.

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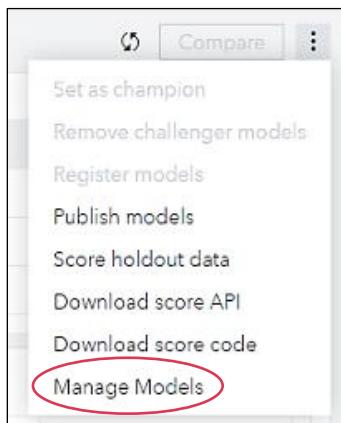
SAS Model Manager streamlines analytical model management and administration. Analytical models enable better decision making. SAS Model Manager provides a web-based environment to support life cycle management and governance of models. You can easily manage modeling processes and identify champion models for deployment. Performance monitoring and alerting automate the model updating process to address model degradation and ensure that models reflect current conditions.



Exploring the Features for Scoring and Running a Scoring Test in Model Manager

In this demonstration, you place the champion model selected by Pipeline Comparison in Model Studio into the SAS Model Manager tool in SAS Viya. The model will be deployed on a scoring data set.

1. In Pipeline Comparison, click the **Project pipeline** menu (three vertical dots). Notice that the Manage Models option is now available because the champion model has been registered. Select **Manage Models**.



You are redirected to the Manage Model tool. A window containing a list of files is shown, which includes codes for training and scoring the model. Click the second icon assigned to **Projects** in the left pane of the window. This icon takes you to the SAS Model Manager projects.

```

1 /*-----*/
2 /* Product: Visual Data Mining and Machine Learning */
3 /* Release Version: V2020_0_6 */
4 /* Component Version: V2020_0_4 */
5 /* CAS Version: V_04_00MOP10072020 */
6 /* SAS Version: V_04_00MOP100720 */
7 /* Site Number: 70180938 */
8 /* Host: controller.sas-cas-server-default.edu.svc.cluster.local */
9 /* Encoding: utf-8 */
10 /* Java Encoding: UTF8 */
11 /* Locale: en_US */
12 /* Project GUID: 9789bda4-5585-44b3-a2f2-9cc8d9e97ac */
13 /* Node GUID: 3dd47ee4-9500-4708-bdda-b199ff58035f */
14 /* Node Id: 3NRZSCAS0J1ALDEBBKV2VOQN */
15 /* Algorithm: Forest */
16 /* Generated by: student */
17 /* Date: 21JAN2021:16:34:53 */
18 /*-----*/

```

The SAS Model Manager project named Demo is based on the Model Studio project of the same name. Also in this project are models that were registered within Model Studio. Select the **Demo** project (step 1) and click the **Open** shortcut button in the upper right corner (step 2), or click the project name.



- Models within the Demo project that have been registered are shown.

| Models | | | | | | | |
|--------------------------|------------------|----------|----------------|-----------------|-----------------|---------------|-----------------------|
| Search name | | Version: | Model Function | Project Version | Algorithm | Date Modified | Modified By |
| <input type="checkbox"/> | Name | ↑ | Role | Model Function | Project Version | Algorithm | Date Modified |
| <input type="checkbox"/> | Forest(Lesson 3) | | | Classification | Version 1 (1.0) | Forest | Mar 17, 2020 03:55 PM |

There is currently a single model in the Demo project, a forest model. The name of the model, **Forest (Lesson 3)**, is based on the champion model and pipeline name that the model came from in Model Studio.

Across the top of the page is a series of tabs. These tabs are used during the entire model management process, which goes beyond just model deployment.

The *Models tab* shows registered models within the Model Manager project.

The *Variables tab* is where input variables and output variables can be added to both project and model objects.

The *Properties tab* contains the project metadata. Project metadata includes information such as the name of the project, the type of project, the project owner, the project location, and which tables and variables are used by project processes, such as scoring. Project properties are organized into General, Tags, and User Defined.

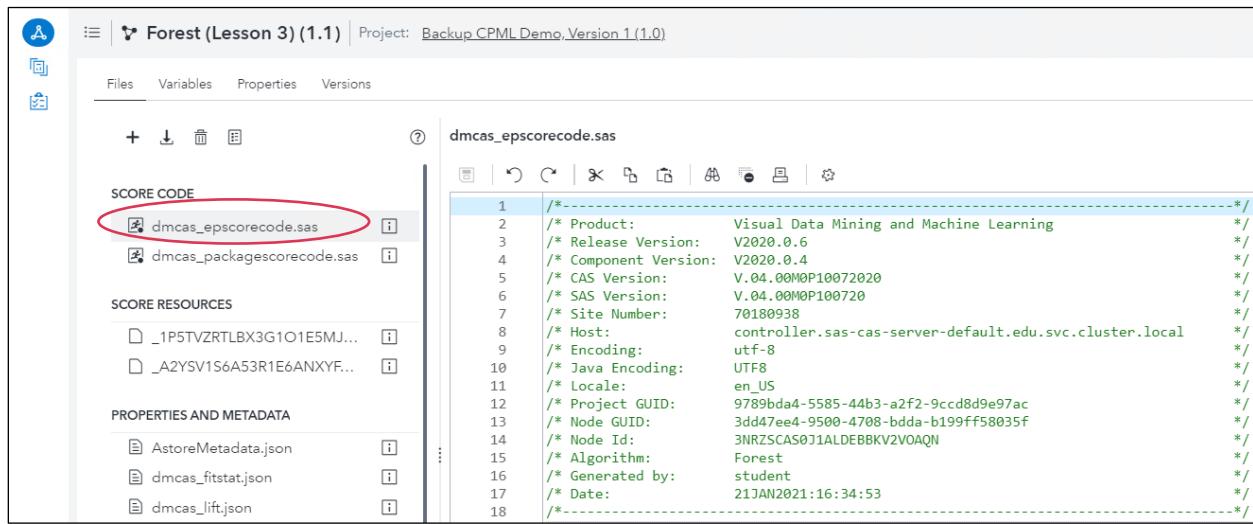
The *Scoring tab* is where scoring tests can be run and also where published models can be validated.

The *Performance tab* shows performance monitoring reports, which are generated from scored data.

The *History tab* shows the history of how the project and model have been used, including information about when the project and models were created, when champion models were defined, and when the model was last deployed.

- Click the name of the model. (Do not click the selection check box in front of it.)

4. Select **dmcas_epscorecode.sas** from the score code section located in the column on the left.



The screenshot shows the SAS interface for a project named "Forest (Lesson 3) (1.1)". The left pane displays a file tree with sections for SCORE CODE, SCORE RESOURCES, and PROPERTIES AND METADATA. A red circle highlights the "dmcas_epscorecode.sas" file under the SCORE CODE section. The right pane shows the content of the selected file:

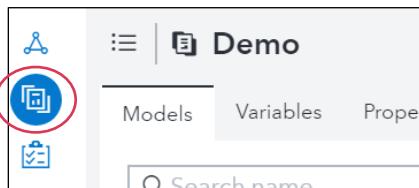
```

1  /*
2  /* Product: Visual Data Mining and Machine Learning */
3  /* Release Version: V2020.0.6 */
4  /* Component Version: V2020.0.4 */
5  /* CAS Version: V.04.00MOP10072020 */
6  /* SAS Version: V.04.00MOP100720 */
7  /* Site Number: 70180938 */
8  /* Host: controller.sas-cas-server-default.edu.svc.cluster.local */
9  /* Encoding: utf-8 */
10 /* Java Encoding: UTF8 */
11 /* Locale: en_US */
12 /* Project GUID: 9789bda4-5585-44b3-a2f2-9cccd8d9e97ac */
13 /* Node GUID: 3dd47ee4-9500-4708-bdda-b199ff58035f */
14 /* Node Id: 3NRZSCAS0J1ALDEBBKV2VOAQN */
15 /* Algorithm: Forest */
16 /* Generated by: student */
17 /* Date: 21JAN2021:16:34:53 */
18 /*

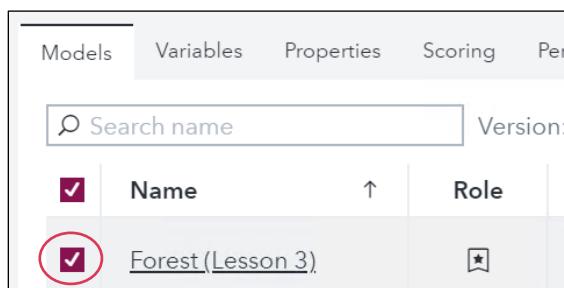
```

This file is the score code generated by the model and the other data preparation nodes contained within the pipeline. The score code can be exported to deploy the model in production considering distinct environments and platforms.

5. Click the **Close** button in the upper right corner of the score code window.
6. Click the second icon for **Projects** on the left pane of the window to return back to the projects view.



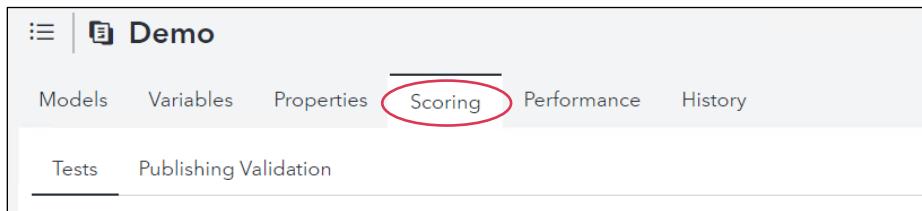
7. If the check box next to the name of the model is not already selected, click it. After the check box is selected, click the model name.



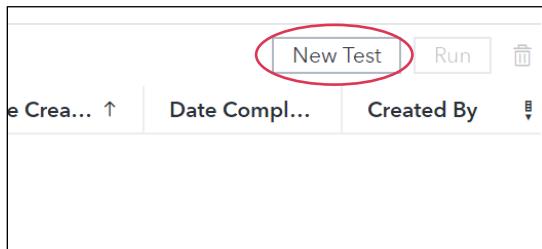
The screenshot shows the "Models" tab selected in the interface. A search bar at the top has "Forest (Lesson 3)" entered. Below it is a table with columns for Name and Role. A red circle highlights the checkbox in the first row, which is checked. The model name "Forest (Lesson 3)" is also highlighted with a red circle.

| | Name | Role |
|-------------------------------------|-------------------|---|
| <input checked="" type="checkbox"/> | Forest (Lesson 3) |  |

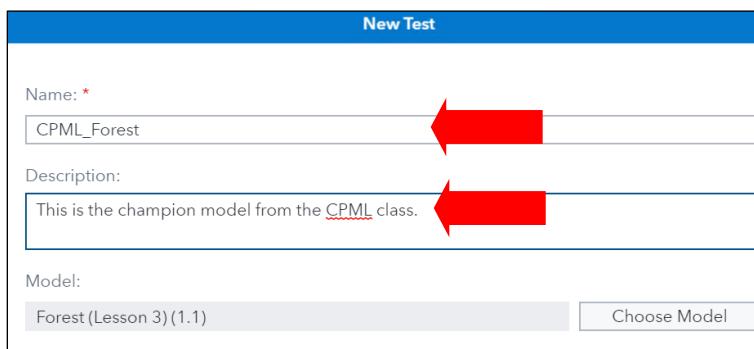
8. Click the **Scoring** tab.



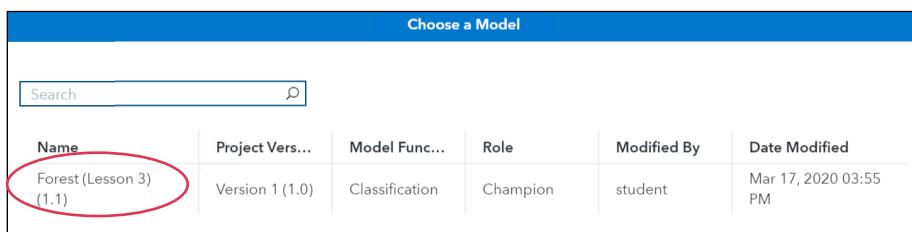
9. In the upper right corner, click **New Test** to create and run a scoring test on the selected model.



10. Enter **CPML_Forest** as the name and **This is the champion model from the CPML class.** as the description in the New Test window.

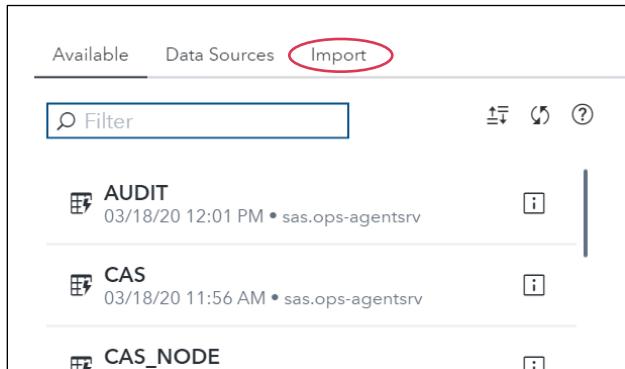


11. Select **Choose Model** in the **Model** field and select the **Forest (Lesson3)** model from the Choose a Model window.



12. Click  (Select a table) in the **Input table** field.

13. Click the **Import** tab.



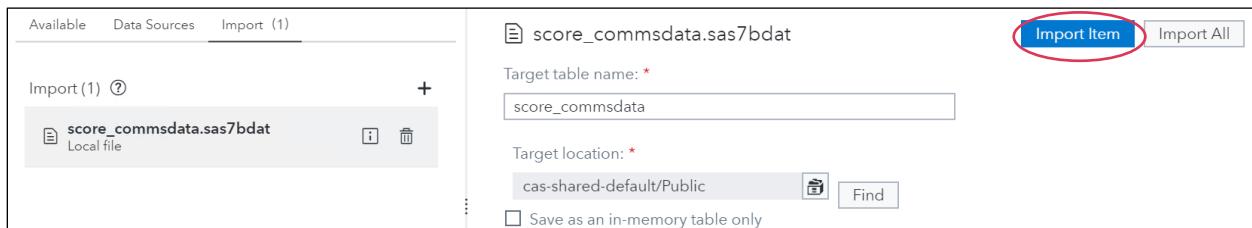
The screenshot shows the 'Import' tab selected in the top navigation bar. Below it is a search bar labeled 'Filter'. There are three entries listed:

- AUDIT**: 03/18/20 12:01 PM • sas.ops-agentsrv
- CAS**: 03/18/20 11:56 AM • sas.ops-agentsrv
- CAS_NODE**

14. Select **Local Files** and then **Local File**. Browse to **D:\Workshop\Winsas\CPML**.

15. Select **score_commsdata.sas7bdat** and then click **Open**.

16. Click **Import Item**.

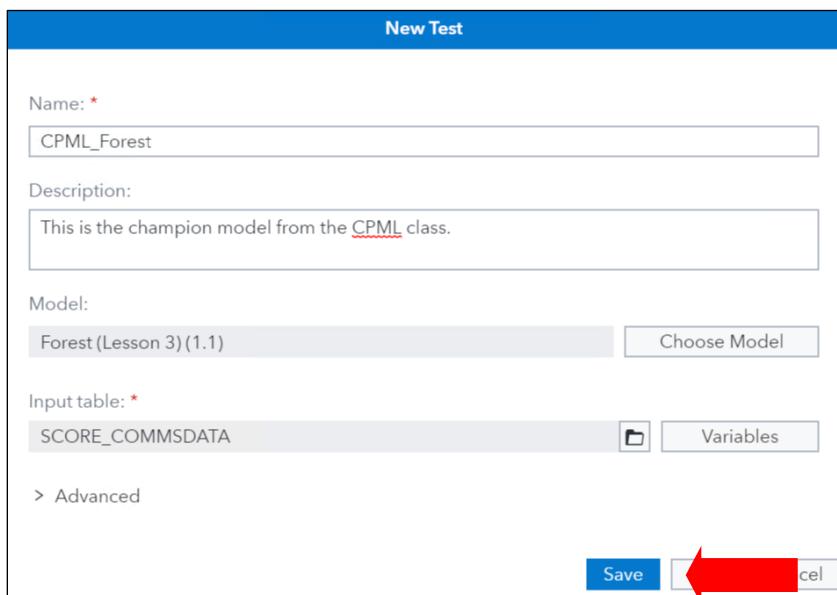


The screenshot shows the 'Import Item' dialog. On the left, there's a list of imports: 'score_commsdata.sas7bdat' (Local file). On the right, the details for the selected item are shown:

- Target table name:** * score_commsdata
- Target location:** cas-shared-default/Public
- Save as an in-memory table only

17. When the table is successfully imported, click **OK**.

18. The New Test window should appear as follows:



The screenshot shows the 'New Test' dialog. The fields are filled as follows:

- Name:** CPML_Forest
- Description:** This is the champion model from the CPML class.
- Model:** Forest (Lesson 3) (1.1)
- Input table:** SCORE_COMMSSDATA

At the bottom right, there are two buttons: **Save** and **Cancel**, with a red arrow pointing to the **Save** button.

19. Click **Save**.

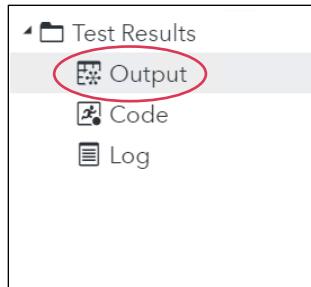
20. First, select the check box next to **CPML_Forest**. Then click **Run** in the upper right corner of the window.

| Tests Publishing Validation | | | | | | | | | |
|-------------------------------------|-----------------------------|---------|------------------------|-----------------|---------------------|--------------------------|----------------|---------------|------------|
| | Name | Results | Status | Model Name | Project Versi... | Input Table | Date Crea... ↑ | Date Compl... | Created By |
| <input checked="" type="checkbox"/> | CPML_Forest | | Forest (Lesson 3)(1.1) | Version 1 (1.0) | SCORE_COM MSDATA | Mar 18, 2020 01:07 PM | | | student |

21. Observe that the Status column has a green check mark and that the table icon appears under the Results column. This indicates that the test ran successfully. Click (View results) in the Results column.

| Tests Publishing Validation | | | | | | | |
|-----------------------------|-----------------------------|---------|--------|------------------------|-----------------|--|--|
| | Name | Results | Status | Model Name | Project V | | |
| <input type="checkbox"/> | CPML_Forest | | | Forest (Lesson 3)(1.1) | Version 1 (1.0) | | |

22. Click **Output** under Test Results in the left pane to see the predicted scores.



23. Click the **Options** button and then select **Manage columns**.



24. Move all of the variables listed under **Displayed columns** to **Hidden columns** by clicking the **Remove All** shortcut button in the middle of the window.

25. Select the following variables associated with scored output and the Primary Key (which is the Customer ID variable). Click the **Add** shortcut button in the middle of the window to move them from **Hidden columns** to **Displayed columns**. (Hold down the Ctrl key to select multiple variables at the same time.)

- I_churn (Into: churn)
- P_churn0 (Predicted: churn = 0)
- P_churn1 (Predicted: churn = 1)
- Customer_ID (Primary Key)
- EM_EVENTPROBABILITY
- EM_PROBABILITY
- EM_CLASSIFICATION

Displayed columns should appear as follows:

| Displayed columns (7): |
|------------------------|
| I_churn |
| P_churn0 |
| P_churn1 |
| Customer_ID |
| EM_EVENTPROBABILITY |
| EM_PROBABILITY |
| EM_CLASSIFICATION |

26. Click **OK** and observe the Output table.

| Output Table | | | | |
|--------------|--------------|--------------|-------------|---------------------|
| I_churn | P_churn0 | P_churn1 | Customer_ID | EM_EVENTPROBABILITY |
| 0 | 0.9536805332 | 0.0463194668 | 1595442 | 0.0463194668 |
| 0 | 0.9547724374 | 0.0452275626 | 1595448 | 0.0452275626 |
| 0 | 0.9347017267 | 0.0652982733 | 1595501 | 0.0652982733 |
| 0 | 0.9565100646 | 0.0434899354 | 1595547 | 0.0434899354 |
| 0 | 0.9533976616 | 0.0466023384 | 1595714 | 0.0466023384 |

By default, this table is created in the Public library and can be consumed for business use.

27. Close the Output Table window.

End of Demonstration

Essential Deployment Tasks



- Assess models.
- Compare models.
- Score the champion model.
- Monitor model performance over time.
- Update the model as needed.

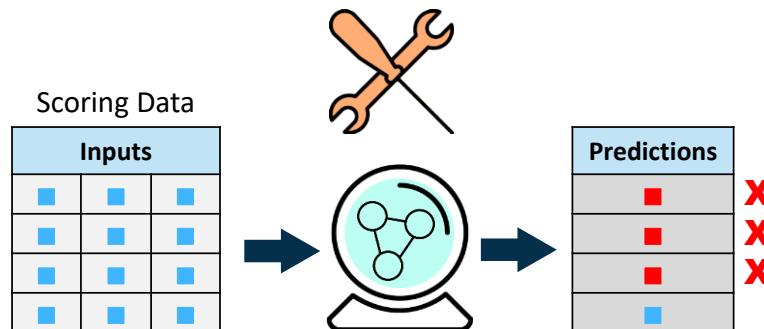
38

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Even after a model has been deployed, it must be monitored. You need to closely monitor its accuracy and performance over time. A model must be revisited and re-evaluated in light of new data and changing circumstances.

Monitoring and Updating the Model



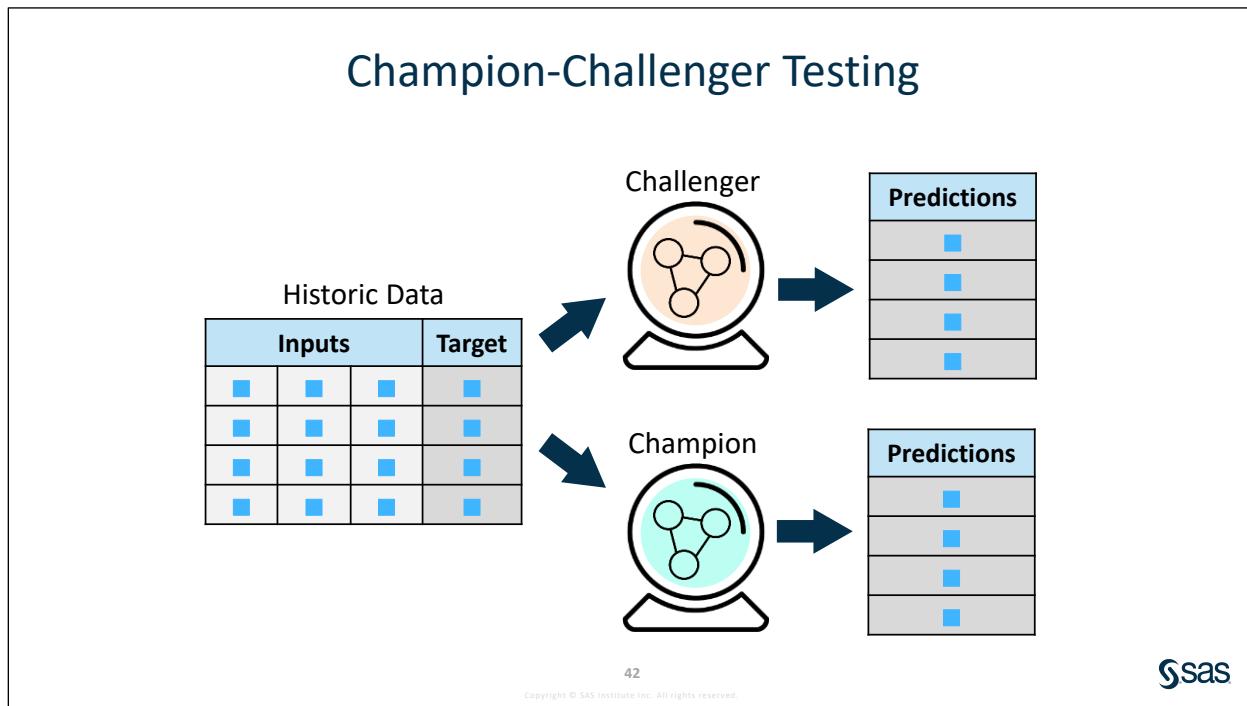
40

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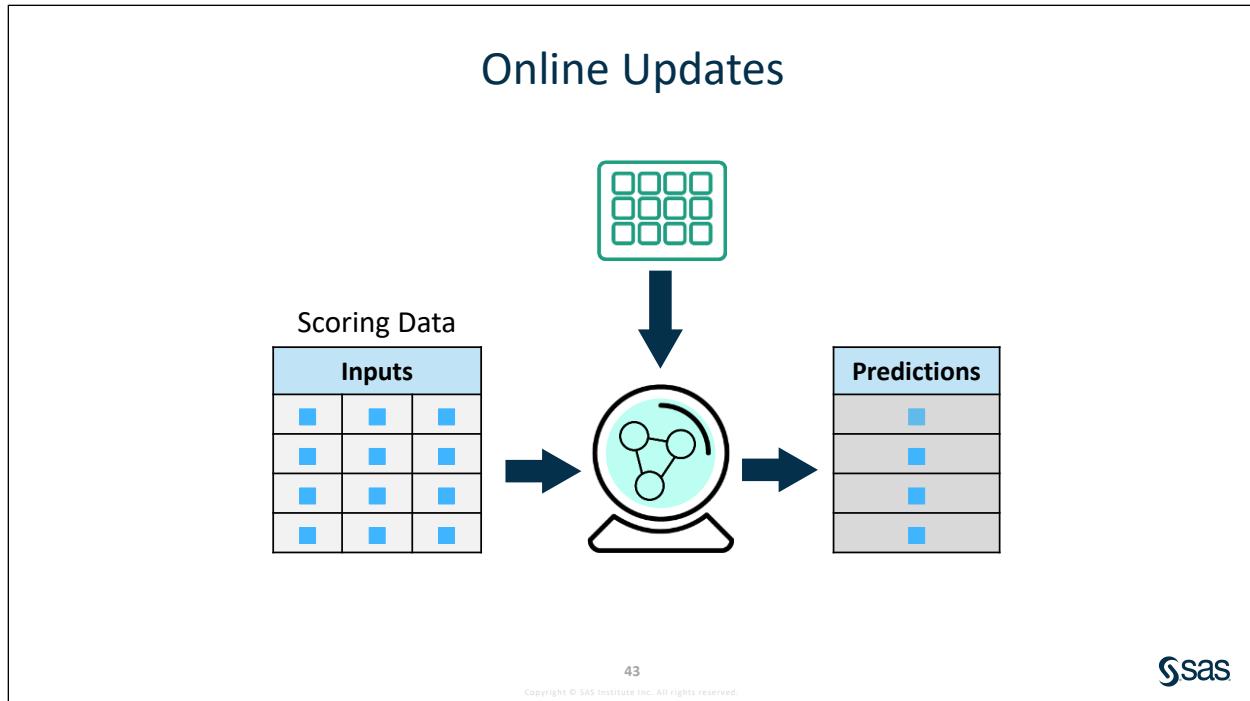


Models are trained on static snapshots of data. After the model is deployed, the environment inevitably changes and becomes less and less like the conditions that were captured in the training data. As a result, the model's predictions typically become less accurate over time.

For example, consider a movie recommendation model that must adapt as viewers grow and mature through stages of life. After a certain period, the error rate on new data surpasses a predefined threshold, and the model must be retrained or replaced.



Champion-challenger testing is a common model deployment practice. This method compares the performance of a new challenger model with the performance of the deployed model on a historic data set at regular time intervals. If the challenger model outperforms the deployed model, the challenger model replaces it. The champion-challenger process is then repeated.



Another approach to refreshing a trained model is through online updates. Online updates continuously change the value of model parameters or rules based on the values of new, streaming data. It is prudent to assess the trustworthiness of real-time data streams before implementing an online modeling system.

6.3 Solutions

Solutions to Activities and Questions

6.01 Multiple Choice Question – Correct Answer

Which of the following statements is true regarding the ROC curve?

- a. The vertical axis is the sensitivity, and the horizontal axis is specificity.
- b.** The C-statistic equals the percent of concordant cases plus one-half times the percent of tied cases.
- c. A strong model has an ROC curve that follows a line that has a 45-degree angle going through the origin.
- d. The ROC curve has no upper bound on the Y axis.

6.02 Multiple Choice Question – Correct Answer

When you have an interval target, which of the following fit statistics can you use to select the champion model?

- a. area under the curve (C-statistic)
- b.** average squared error
- c. cumulative lift
- d. misclassification

Appendix A References

A.1 References.....A-3

A.1 References

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