AI: Strategy + Marketing (MGT 853)

The AI \iff Human Interface (Session 5)

Vineet Kumar

Yale School of Management Spring 2024

• Driving as an ML Problem

- Driving as an ML Problem
- Explainability, Interpretability and Transparency

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- Explainability, Interpretability and Transparency
- Research on Interpretable ML models

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First-wave used mechanical control (1970s)

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- Works in very limited way
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If condition X, Then do Y

- Could go to 1000s or 100K lines of code
- Need to add code for each new condition and reprogram system

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Second-wave used computer programming (1980s to early 2000s)

Prediction Models
Third-wave uses
(2007 – current)

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If condition X, Then do Y

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Predictive Model

 Al system learns and builds the model and delivers better (more accurate prediction) as more data is generated



Converting to Prediction Problem (In class exercise)

- Consider the role of prediction in autonomous driving
- Let's walk through the Al Decision Framework

Questions to Ponder

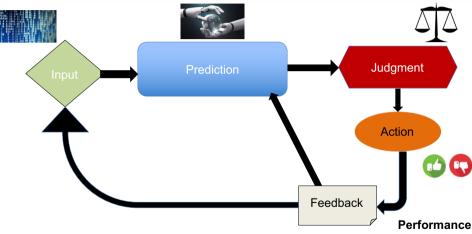
- 0) What sources of data should the system use?
- 1) What are the possible predictive problems one might encounter?
- 2) How should we measure performance?
- 3) What are appropriate ML algorithms in our toolbox to solve them?
- 4) What role does judgment play in this problem?

ML Pipeline

Where do humans interface?

```
Mf Pi eline:
0. Identity Data (Y, x)
                                              Hy ber parameter
    Pre-processing
      Centering, Missing Data/Quality,
Outliers, Normalization
      Data Visualization
Correlation, Distribution, model
                                              Learning (Training)
                                                y = #(x)
                                               Validation
                                             Interpretation
       Feature Engineering
 5. Model Selection
```

AI Decision-Making Framework



Does Feedback also inform Judgment?

Why not have a black box model? What about Digit Classification?

What if we get very high accuracy?

• 95

What if we get very high accuracy?

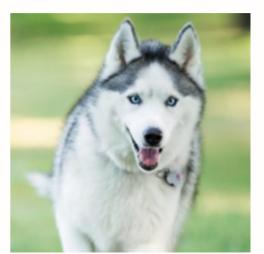
- 95
- 99.x?

What if we get very high accuracy?

- 95
- 99.x?
- 100

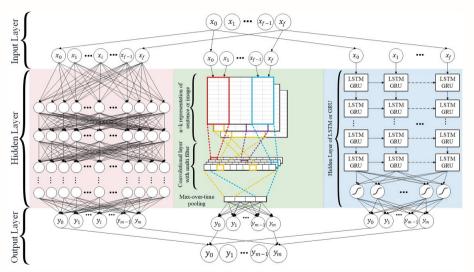
Wolf or Husky?





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Can we understand this?



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- Model produces constructs with meanings known to humans
- May not be easy for all models

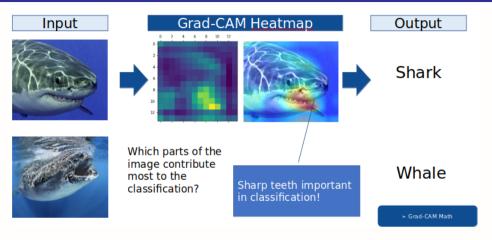
Explainability in Complex Models

Shark or Whale?





Explainability in Complex Models



Source: Grad-CAM Details (Technical)

Explainability \Longrightarrow **Interpretability**

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- Linear Regression Example

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$$\bullet \quad y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \varepsilon$$

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nature > nature machine intelligence > perspectives > article

Perspective | Published: 13 May 2019

Stop explaining black box machine learning models for high stakes decisions and use interpretable models instead

Cynthia Rudin

Nature Machine Intelligence 1, 206–215 (2019) | Cite this article

50k Accesses | 1049 Citations | 397 Altmetric | Metrics

A preprint version of the article is available at arXiv.

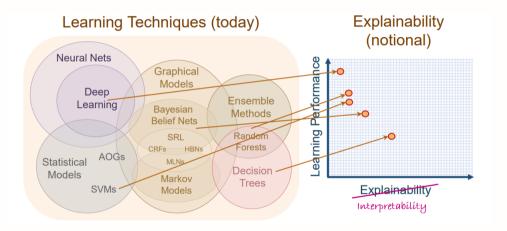
Abstract

Black box machine learning models are currently being used for high-stakes decision making throughout society, causing problems in healthcare, criminal justice and other domains. Some people hope that creating methods for explaining these black box models will alleviate some of the problems, but trying to explain black box models, rather than creating models that are interpretable in the first place, is likely to perpetuate bad practice and can potentially cause great harm to society. The way forward is to design models that are inherently



Research

Performance \iff **Transparency Tradeoff?**



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Converting to Prediction Problems (In class exercise *if we have time*)

 Choose one of (1), (2) or (3). Tell the class what you have chosen before you get started.
 ≥ 2 groups for each.

3 Cases – Chose ONE

- Social media
 (Instagram) increase
 engagement
- 2) Content firm(Spotify) recommendnew content to its users
- 3) Apparel retailer improve its product assortment

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- Role of Transparency, Interpretability and Explainability

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- What visual features contribute most to value?

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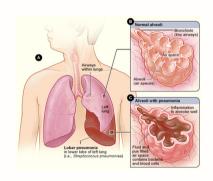
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Research Presentation

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