Understanding Ayasdi: What we do, how we do it, why we do it.
Introduction

Ayasdi has built an AI platform that powers the design, development, and deployment of enterprise-scale, intelligent applications. Our approach, our underlying technology, and our products are expressly crafted to deliver against an enterprise’s requirements in this area – with the goal of delivering extraordinary business value.

This paper details our perspective on intelligent applications, what constitutes an intelligent application and the importance of enterprise scale. It closes with a review of the architecture of our solution, its various platform components and a brief discussion of the underlying technology.

Our Philosophy

We believe that all applications need to become intelligent. To that end, we have built an AI platform that supports the creation of intelligent applications.

In some cases, where we see large, repeatable problems (anti-money laundering, regulatory risk modeling, clinical variation, population health) we will build those applications. More often we will work with our clients to enable them to build intelligent applications. Additionally, we have a number of partners (Accenture, Deloitte) that build these applications on behalf of their clients.

Our platform supports application development because we believe strongly that applications are the way to achieve the broadest penetration of intelligence in the organization – empowering business leaders and subject matter experts with extraordinary capabilities that deliver equally impressive business results.

We believe that for an application to be truly intelligent it needs to meet several criteria. We call these criteria the five pillars of enterprise intelligence.

While some of these elements may seem self-evident, that is because they are taken as a single item. For an application to be truly intelligent, however, all the elements must work in conjunction with each other.

The five pillars are:

1. Discover
2. Predict
3. Justify
4. Act
5. Learn

Let’s take each of these concepts in turn.
Discover

Discovery is the ability of an intelligent system to learn from data to support the development of applications. Often this needs to be done without being presented with an explicit target. It relies on the use of unsupervised and semi-supervised machine learning techniques (such as segmentation, dimensionality reduction, anomaly detection, etc.), as well as more supervised techniques where there is an outcome or there are several outcomes of interest.

Usually, in enterprise software, the term discovery refers to the ability of ETL/MDM solutions to discover the various schemas of tables in large databases and automatically find join keys etc.

Our use of the term is very different and has important implications.

In complex datasets, it is nearly impossible to ask the “right” questions. To discover what value lies within the data one must understand all the relationships that are inherent and important in the data. That requires a principled approach to hypothesis generation.

Ayasdi’s unique technology, topological data analysis (TDA), is exceptional at surfacing hidden relationships that exist in the data and identifying those relationships that are meaningful without having to ask specific questions of the data. Ayasdi’s output is able to represent complex phenomena, and is therefore able to surface weaker signals as well as the stronger signals. This permits the detection of emergent phenomena.

As a result, enterprises can now discover answers to questions they didn’t even know to ask.

Predict

Once the data set is understood through intelligent discovery, supervised approaches are applied to predict what will happen in the future. These types of problems include classification, regression and ranking.

For this pillar, Ayasdi uses a standard set of supervised machine learning algorithms including random forests, gradient boosting, linear/sparse learners. The discovery capabilities of our technology are highly useful in that they generate relevant features for use in prediction tasks or finding local patches of data where supervised algorithms may struggle.

The learn and predict phase is an important part of the business value associated with data science, however, generally, in predictive analytics, there exists a notion that this is the sum total of machine learning. This is not the case by far. Prediction, while important, requires other elements to be meaningful in an operational environment.

It requires explanation and trust.
Justify

We believe that applications need to support interaction with humans in a way which makes outcomes recognizable and believable to them. For example, when one builds a predictive model, it is important to have an explanation of how the model is doing what it is doing, i.e. what the features in the model are doing in terms that are familiar to the users of the model. This is because this kind familiarity is important in generating trust. Similarly, in the same way that automobiles have mechanisms not just for detecting the presence of a malfunction, but also for specifying the nature of the malfunction and suggesting a method for correcting it, so one needs to have a "nuts and bolts" understanding of how an application is working in order to "repair" it when it goes awry.

For prediction to have value it must be able to justify and explain its assertions, as well as to be able to diagnose failures. These capabilities are what make prediction intelligent.

Justification and transparency build trust.

No business leader should deploy intelligent and autonomous applications against critical business problems without a thorough understanding of what variables power the model. Enterprises cannot move to a model of intelligent applications without trust and transparency.

Act

The process of operationalizing an intelligent application within the enterprise requires some change in the organization, an acceptance that the application will evolve over time and that will demand downstream changes – automated or otherwise.

For this to happen, intelligent applications need to be "live" in the business process, seeing new data and automatically executing the loop of Discover, Predict, Justify on a frequency that makes sense for that business process. For some processes that may be quarterly, for others daily. That loop can even be measured in seconds.

Intelligent applications are designed to detect and react when data distributions evolve. As a result, they need to be "on the wire" in order to detect that phenomena before it becomes a problem.

Too many solutions provide an answer in a point of time, an intelligent system is one that is always learning through the framework outlined here.

Learn

Intelligent systems are designed to detect and react as the data evolves. An intelligent system is one that is always learning, live in the workflow and constantly improving. It the modern data world, an application that is not getting more intelligent is getting dumber.
The Elements and Architecture of Enterprise Scale

For an organization considering how to deploy artificial intelligence capabilities across their enterprise, the five pillars represent the starting point. To scale that effort, however, requires additional considerations. Primary among them is the concept of enterprise scale.

To deliver applications into the enterprise, they need to meet the IT requirements of the enterprise.

Enterprise scale goes beyond compute. Math is far more difficult to scale than servers and the result with many approaches is that the machine learning algorithms must be "downgraded" or simplified to run against larger and larger datasets. Ayasdi has invested significant resources to deliver enterprise-class workload management to ensure its math scales with the size of the challenge.

Enterprise scale also means that your AI strategy needs to integrate into your existing IT infrastructure – this means Active Directory for User Management, leveraging existing data lake infrastructure and respecting the security and compliance guidelines for operational systems.

Enterprise scale also means defining exceptional user experiences. For most analytic and "pseudo-AI" solutions the user interface is Excel, PDF or PowerPoint. This limits the impact these insights can have on an organization - not only in terms how broadly it can be consumed, but also in the fact that it represents a point in time. Enterprise scale demands that AI go to market in the form of well-designed applications that put the user experience first, ensuring these powerful technologies are adopted broadly.

Finally, enterprise scale means applications that facilitate collaboration and accelerate the creation of workflows between line of business, data science and IT. This framework for application development should provide powerful technologies in the right application package, in the right places, solving the right problems – automatically.

These are all elements that Ayasdi focuses on what it means when it talks about enterprise scale. They come from our experience in dozens of enterprise-grade deployments – not just pilots or POCs.
Ayasdi’s Machine Intelligence Platform

To understand Ayasdi’s Machine Intelligence Platform it helps to start with a simple diagram of the different layers.

Ayasdi is able to ingest data from a number of sources, but ultimately it will convert that data into something that can reside in a Hadoop. If the data is already in Hadoop, Ayasdi will interact with it there.

Once the data is in Hadoop, Ayasdi’s technology can interact with it on a number of different levels, from our Workbench product to a specific application.

Our intelligence platform combines Topological Data Analysis, Machine Learning, Statistical, and Geometric Algorithms to automatically find patterns that elude other technologies. Furthermore, our approach provides exceptional explainability and justification for its selections. The combination of algorithms and the way in which we are leveraging them enable Ayasdi to support a range of algorithmic selection from fully automated (unsupervised) to semi-supervised and ultimately supervised analysis.

Up Stack

There are three elements that take advantage of the REST API. The first is the Python SDK, the second is Ayasdi Workbench and the third is Ayasdi Envision.

The Python SDK provides programmatic access to the technology layer for the purpose of building intelligent applications. Developers with Python and Data Science backgrounds can construct applications using this approach.
Ayasdi Workbench is a data science application that enables users to create topological models of their data and visually explore the relationships inherent in those models. Again, that analysis can be done in an unsupervised approach or in a supervised approach. Elements of interest can be explained and justified in simple terms – a key capability noted earlier in this document.

While powerful, Workbench offers a subset of the overall capabilities exposed by the REST API and the Python SDK. Workbench is targeted at data science teams and represents an interim step towards the creation of application.

To further facilitate application development, Ayasdi has built an application development framework called Envision. Ayasdi Envision democratizes and accelerates the creation of intelligent applications through a collaborative, workflow-oriented approach that is designed to include business users throughout the process, ensuring the requirements of subject-matter experts are met. Analysts, data scientists, and IT groups can leverage Ayasdi’s powerful AI platform to build business-specific intelligent applications using a pre-built library of UI components. The new web-based framework features a simple user interface that is easy to learn and navigate enabling business users and data analysts to work in lock-step together.
Applications built using the Python SDK are consumed by a broader portion of the organization from analysts to subject matter experts and business leaders.

**The Analytical Engine of Ayasdi**

The engine that powers our platform is called Topological Data Analysis (TDA). TDA is considered one of the most significant technological advancements ever funded by DARPA and is the source of a broad range of awards and recognition. Ayasdi has the only enterprise implementation of this powerful technology.
TDA is based on topology, the mathematical subdiscipline that studies the notion of shape. TDA refers to the adaptation of this discipline to analyzing highly complex data. It draws on the philosophy that all data has an underlying shape and that shape has meaning. This knowledge is widely understood for certain shapes – but data does not restrict itself to certain shapes. For example, look at the following:

![Figure 4: Four examples of the shape of data.](image)

The shape on the far left is well known to generations of mathematicians, statisticians, and data types. This represents a regression line, obtained by fitting a straight line to the data points using a natural measure of fit. A straight line is certainly a shape, and in the above example, we find that a straight line fits the given data quite well. That piece of information is extremely important for several reasons. One is that it gives us the qualitative information that the y-variable varies directly with the x-variable (i.e. that y increases as x increases). Another is that it permits us to predict with reasonable accuracy one of the variables if we know the value of the other variable. The idea is that the shape of a line is a useful organizing principle for the data set, which permits us to extract useful information from it.

Similarly, the second image is that of three distinct groups. It is easy to see that no straight line faithfully represents this data.

![Figure 5: Data that forms distinct clusters.](image)
The reason is that this data set breaks into a set of three tightly concentrated clusters. One might not initially think of this as having anything to do with shape, but after a moment’s reflection, we realize that the most fundamental aspect of any shape is the number of connected pieces it breaks into. So, in this case, we see that the shape of this data set is of fundamental importance, and that its shape is that of a set of three discrete points.

While clearly distinct from regression, clustering is also well understood from a mathematical perspective. It is the subject of many books, and there are journals devoted to it.

But what about the third shape?

Notice that this shape also does not fit along a line, and does not break into clusters, but rather has a "loopy" behavior. This kind of structure is often associated with periodic or recurrent behavior in the data set. In both preceding examples, if you were to approximate them with a regression line you would be missing the vast majority of the information encoded within the shape. The actual shape is "hidden" to regression. The circle is "hidden" to clustering algorithms.

Yet we find this data shape everywhere from economic cycles to disease states. Unlike regression or clustering, loops are not well understood or modeled in data science.

One final example.
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Figure 7: Data that forms the shape of a “Y”.

The shape is in this case that of a capital letter “Y”.

This is another kind of shape, which also occurs frequently in data. Note that it has a central core and three “flares” extending from it. This might represent a situation where the core represents the most frequently occurring behaviors, and the tips of the flares represent the extreme behaviors in the data. It is clearly distinct from the three other shapes we have already discussed.

One example of this kind of structure would occur if we considered a data set gathered from measurements taken from an airliner, during the entire course of a flight. The center “core” is when the plane is cruising at 35K feet, in non-turbulent conditions. The upper left flare may represent thrust associated with takeoff. The bottom center might represent deceleration on landing and the upper right flare may represent flying at 35,000 feet in turbulent conditions.

Again, a line, loop or clusters wouldn’t describe this particular shape.

Topology describes shape and does so very well. If we only had simple shapes, this would not be of great importance.

But data doesn’t have just four shapes. Complex data has billions if not more shapes – all of which encode information.

Figure 8: Complex data has billions if not more shapes.

The immense variety possible among shapes suggests that we should not attempt to enumerate all the possible shapes with a individual mathematical approaches (e.g. regression), and create templates for each, but rather find a flexible way of representing all shapes.
That is one of the key problems topological data analysis deals with – it determines the shape of the data and the information encoded therein.

As a framework, TDA uses dozens of machine learning algorithms to determine the best shape of the data. In doing so it uncovers subtle patterns missed by other approaches that rely on a single algorithmic dimension. Furthermore, it accelerates the process of determining what in the data is important and what is not and can do so in an unsupervised fashion – meaning users often find answers to questions they didn’t even know to ask. Topological data analysis extends and improves the performance of any machine learning algorithm creating a measure of future proofing that does not exist in other solutions. Finally, topological data analysis provides justification for its findings and recommendations.
**Summary**

These are the ideas and technology that fuel Ayasdi.

We are passionate in our belief that intelligence in business applications is not a fad, it is an inflection point. Further, we believe that intelligence is not reserved for Google, Facebook, Amazon and Microsoft and should be available to any enterprise with the sophistication and drive to transform their business.

As a company, Ayasdi has pioneered the development of these intelligent systems. From the five pillars to TDA we are leading the way for the development of intelligent applications. We look forward to partnering with you as you develop or execute your intelligence strategy.
About Ayasdi

Ayasdi is the global leader in the development of enterprise-grade, machine intelligent applications for financial services, healthcare and the public sector. Powered by breakthroughs in both mathematics and computer science, the company's software platform has already solved some of the world's most complex challenges.

Based in Menlo Park, CA, Ayasdi is backed by Kleiner Perkins Caufield & Byers, IVP, Khosla, CenterView Partners, Draper Nexus, Citi Ventures, GE Ventures and Floodgate Capital.