1. Course Overview

This course will change the way you think about data and its role in business.

Businesses, governments, and individuals create massive collections of data as a by-product of their activity. Increasingly, decision-makers and systems rely on intelligent technology to analyze data systematically in order to improve decision-making. In many cases automating analytical and decision-making processes is necessary because of the volume of data and the speed with which new data are generated.

We will examine how data analysis technologies can be used to improve decision-making. We will study the fundamental principles and techniques of data mining, and we will examine real-world examples and cases to place data-mining techniques in context, to develop data-analytic thinking, and to illustrate that proper application is as much an art as it is a science.

After taking this course you should:

1. **Approach business problems data-analytically.** Think carefully & systematically about whether & how data can improve business performance, to make better-informed decisions for management, marketing, investment, etc.

2. **Be able to interact competently on the topic of data mining for business analytics.** Know the fundamental principles of data science, that are the basis for data mining processes, algorithms, & systems. Understand these well enough to work on data science projects and interact with everyone involved. Envision new opportunities.

3. **Have had hands-on experience mining data.** Be prepared to follow up on ideas or opportunities that present themselves, e.g., by performing pilot studies.
2. Focus and interaction

The course will explain through lectures and real-world examples the fundamental principles, uses, and some technical details of data mining and data science. The emphasis primarily is on understanding the fundamental concepts of data science and business applications of data mining. We will discuss the mechanics of how the methods work as is necessary to understand and illustrate the fundamental concepts and business applications. This is not an algorithms course. However, many techniques are the embodiment of one or more of the fundamental principles.

I will expect you to be prepared for class discussions by having satisfied yourself that you understand what we have done in the prior classes. The assigned readings will cover the fundamental material. The class meetings will be a combination of lectures/discussions on the fundamental material, discussions of business applications of the ideas and techniques, case discussions, student exercises, and demos.

You are expected to attend every class session, to arrive prior to the starting time, to remain for the entire class, and to follow basic classroom etiquette, including (unless otherwise directed) having all electronic devices turned off and put away for the duration of the class (this is Stern policy, see below) and refraining from chatting or doing other work or reading during class. In general, we will follow Stern default policies unless I state otherwise. I will assume that you have read them and agree to abide by them:

http://w4.stern.nyu.edu/academic/affairs/policies.cfm?doc_id=7511

The NYU Classes site for this course will contain lecture notes, reading materials, assignments, and late-breaking news. You should check the site daily, and I will assume that you have read all announcements and class discussion.

If you have questions about class material that you do not want to ask in class, or that would take us well off topic, please detain me after class, come to office hours to see me or the TAs, or ask on the discussion board. The discussion board is much better than sending me email, which frankly I have a hard time keeping up with. Also, if you have the question, someone else may too and everyone may benefit from the answers being available on NYU Classes. Also, please try to answer your classmates' questions. In grading your class participation I will include your contributions to the discussion board. You will not be penalized for being wrong in trying to participate on the discussion board (or in class).

Worth repetition: It is your responsibility to check NYU Classes (and your email) at least once a day during the week (M-F), and you will be expected to be aware of any announcements within 24 hours of the time the message was sent.

I will check my email at least once a day. Your email will get my priority if you include the special tag [DM Grad] in the email subject header. I use this tag to make sure to process class email first. If you do not include the special tag, I may not read the email for a while (maybe a long while). If you forget and send without the tag and then remember, just send it again including the tag.
3. Readings and Lecture Notes

**Book:** The textbook for the class will be:

*Data Science for Business: Fundamental principles of data mining and data analytic thinking* Provost & Fawcett (O'Reilly, 2013).


This book covers the fundamental material that will provide the basis for you to think and communicate about data science and business analytics. We will complement the book with discussions of applications, cases, and demonstrations.

**Lecture notes:** For many classes I will hand out lecture notes. I expect you to ask questions about any material in the notes that is unclear after our class discussion and reading the book. Having the book frees up class time for more discussion of applications, cases, etc.—so many of your questions may be answered in the book. If not, please let me know! Depending on the direction our class discussion takes, we may not cover all material in the class notes for any particular session. If the notes and the book are not adequate to explain a topic we skip, you should ask about it on the discussion board. I will be happy to follow up.

I may hand out or post some additional required readings as we go along. *Note that some of these readings may be accessible for free only from an NYU computer. If you can't access a link from home, please try it from school.*

For those interested in going further, come and talk to me about supplemental books and other material, which give alternative perspectives on and additional details about the topics we cover. These are completely optional; you will not be required to know anything in these readings that are not in the primary materials or lectures. I have many books that I can recommend, for example if you want a reference to a more mathematical treatment of the topics. Please don’t hesitate to come and talk to me about what supplemental material might be best for you, if you want to go further. One particularly useful book for those interested in the “hands-on” component of the class:

“Weka Book” (optional):

*Data Mining: Practical Machine Learning Tools and Techniques, Third Edition* by Ian Witten, Eibe Frank, Mark Hall
ISBN-10: 0123748569
- available from Amazon
- This book provides much more technical details of the data mining techniques and is a very nice supplement for the student who wants to dig more deeply into the technical details. It also provides a comprehensive introduction to the Weka toolkit.
4. Requirements and Grading

The grade breakdown is as follows:

1. Homeworks: 20%
2. Term Project: 25%
3. Participation/Professionalism/Attendance/Contribution: 15%
4. Quizzes 1-3: 20%
5. Final Quiz: 20%

At NYU Stern we seek to teach challenging courses that allow students to demonstrate differential mastery of the subject matter. Assigning grades that reward excellence and reflect differences in performance is important to ensuring the integrity of our curriculum. In my experience, students generally become engaged with this course and do excellent or very good work, receiving As and Bs, and only one or two perform only adequately or below and receive C’s or lower. Note that the actual distribution for this course and your own grade will depend upon how well each of you actually perform this particular semester.

Homework Assignments

The homework assignments are listed (by due date) in the class schedule below. Each homework comprises questions to be answered and/or hands-on tasks. Except as explicitly noted otherwise (see next paragraph), you are expected to complete your assignments on your own—without interacting with on the completion of your assignment. You are free of course to discuss the concepts with your classmates, and to discuss similar problems to the ones in the homeworks.

For the hands-on parts of the assignments, I encourage you to work with your group members and other classmates to understand how to get Weka (or Python) to do what you need to do, and then to complete your assignment on your own. So, for example, you could have a classmate help you do something similar, such that then you would be able to complete the assignment.

With the support of me, the TA, and your classmates, we operate under a “diligent attempt but limited frustration” policy: (1) If you get stuck on something, spend some time Googling to try to find the answer. If you seem to be moving forward, keep going. That search and discovery will pay off, both in terms of the direct learning about how to do what you need to do, and also in terms of your learning how to find such things out. (E.g., if you want to try Python and don’t know what stackoverflow is, you will learn!). BUT, (2) limit frustration—start your assignments early enough that if you run into a wall, you can just stop searching and ask about it. Let’s say, if you feel like you have not moved forward after 15 minutes of being stuck, just stop and ask: your classmates, on the discussion board, to the TA. If you don’t get a solution, escalate it to me.

Completed assignments must be handed on blackboard at least one hour prior to the start of class on the due date (that is, by 5pm), unless otherwise indicated. Assignments will be graded and returned promptly. Answers to homework questions should be well thought out and communicated precisely and professionally, avoiding sloppy language, poor diagrams, and irrelevant discussion.
The hands-on tasks in the homeworks will be based on data that we will provide. You will mine the data to get hands-on experience in formulating problems and using the various techniques discussed in class. You will use these data to build and evaluate predictive models.

For the hands-on assignments you will use the (award-winning) toolkit Weka.

http://www.cs.waikato.ac.nz/ml/weka/ download the “latest stable” version (3.6.10) (which is the version associated with the 3rd edition of the Weka Book)

Optionally, you could try Python and its data science/analytics/visualization libraries. On NYU Classes there are installation instructions to make sure that you have all the required libraries, as well as tutorials.

IMPORTANT: You must have access to a computer on which you can install software. If you do not have such a computer, please see me immediately so we can make alternative arrangements. You should bring your computer to class.

During class we will have a “lab session” during which we will aid anyone who needs help with installing and configuring the software, getting it running, and dealing with the inevitable glitches that a few of you might experience. If you need additional help with using the data mining software, please see the Course Assistant(s).

Generally the Course Assistant should be the first point of contact for questions about and issues with the homeworks. The course assistant (see first page) will have the responsibility to make sure that all questions are answered in a timely fashion. If they cannot help you to your satisfaction, please do not hesitate to come see me.

Late Assignments
As stated above, assignments are to be submitted on NYU Classes at least one hour prior to the start of the class on the due date. Assignments up to 24 hours late will have their grade reduced by 25%; assignments up to one week late will have their grade reduced by 50%. After one week, late assignments will receive no credit. Please turn in your assignment early if there is any uncertainty about your ability to turn it in on time.

Term Project
A term project report will be prepared by student teams. We will give you the instructions on how to form your teams. Teams are encouraged to interact with the instructor and TA electronically or face-to-face in developing their project reports. You will submit various milestone deliverables through the course. We will discuss the project requirements in class.

Quizzes
The quizzes (take-home, open-book) will be completed on NYU Classes during the days following the associated class on the schedule. The final quiz will be completed during the days following the final class. The subject matter covered and the exact dates will be discussed in class.

Participation/Professionalism/Contribution/Attendance
Please see Section 2.
Regrading
If you feel that a calculation, factual, or judgment error has been made in the grading of an assignment or exam, please write a formal memo to me describing the error, within one week after the class date on which that assignment was returned. Include documentation (e.g., pages in the book, a copy of class notes, etc.). I will make a decision and get back to you as soon as I can. Please remember that grading any assignment requires the grader to make many judgments as to how well you have answered the question. Inevitably, some of these go “in your favor” and possibly some go against. In fairness to all students, the entire assignment or exam will be regraded.

FOR STUDENTS WITH DISABILITIES: If you have a qualified disability and will require academic accommodation during this course, please contact the Moses Center for Students with Disabilities (CSD, 998-4980) and provide me with a letter from them verifying your registration and outlining the accommodations they recommend. If you will need to take an exam at the CSD, you must submit a completed Exam Accommodations Form to them at least one week prior to the scheduled exam time to be guaranteed accommodation.

Please read the policies for Stern courses

http://w4.stern.nyu.edu/academic/affairs/policies.cfm?doc_id=7511

Please keep in mind the Stern Honor Code

http://www.stern.nyu.edu/mba/studact/mjc/hc.html
# Example Class Schedule (from a prior semester)

<table>
<thead>
<tr>
<th>Class Number</th>
<th>Date</th>
<th>Topics (subject to change as class progresses)</th>
<th>Readings</th>
<th>Deliverables</th>
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<tbody>
<tr>
<td>1</td>
<td></td>
<td>Introduction to the Course</td>
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<td>Info Sheet</td>
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<td></td>
<td>Introduction to Predictive Modeling</td>
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<td>Case: Data science for managing churn in wireless telecom</td>
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<td>2</td>
<td></td>
<td>Predictive Modeling (cont.)</td>
<td>Ch. 1-3</td>
<td>HW#1 due</td>
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<td>Supervised Segmentation</td>
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<td>Discussion: Target Case – predicting pregnancy</td>
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<td>Bring your laptops</td>
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<td>Deal with installation problems during the break</td>
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<td>“Hands-on” Lab #1</td>
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<td>3</td>
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<td>Predictive Modeling (cont.)</td>
<td>Ch. 4</td>
<td>Quiz 1</td>
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<td>Supervised Segmentation</td>
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<td>Case Study: Data Mining for Operations Support</td>
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<td>Team choices</td>
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<td>project ideas</td>
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<td>4</td>
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<td>Model performance analytics I</td>
<td>Ch. 5 &amp; 7</td>
<td>HW#2 due</td>
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<td>Fitting the data and overfitting the data, holdout testing, cross-validation, learning curves, domain knowledge validation, expected value framework</td>
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<td>“Hands-on” Lab #2</td>
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<td>5</td>
<td></td>
<td>Model performance analytics II</td>
<td>Ch. 8</td>
<td>Quiz 2</td>
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<td>Ranking, Profit, Lift</td>
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<td>(online)</td>
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<td>ROC analysis, expected value framework revisited</td>
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<td>Case Study: Modeling consumer behavior for targeted marketing (banking and/or online advertising)</td>
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<td>Optional:</td>
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<td>Project</td>
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<td>Proposal</td>
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<td>6</td>
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<td>Mining fine-grained data, Prediction via evidence combination, Bayesian reasoning, text classification, “Naïve” Bayes</td>
<td>Ch. 9 &amp; 10</td>
<td>HW#3 due</td>
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<td>Class Number</td>
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| 7            |      | Similarity, Distance, Nearest Neighbors  
Case Study: IBM Salesforce Optimization | Ch. 6 | Project update due |
| 8            |      | Descriptive data mining, unsupervised methods, dimensionality reduction, clustering  
Guest Lecture  
Case: Data Science for TV | Ch. 6 (revisit clustering) Ch. 12 | Quiz 3 (online) |
| 9            |      | Toward Analytical Engineering  
Case Studies: Telecom Churn Revisited; GE Capital | Ch. 11 + Haimowitz paper | HW#4 due |
| 10           |      | Deployment  
Guest Lecture  
Chief Scientist, Distillery | Ch 13 | HW#5 due |
| 11           |      | Data Science and Business Strategy & Tactics  
Wrap Up | (Revisit Ch 13) | |
| 12           |      | TBD | | Project report Due XXX |

**Final Quiz:**  
Open book; Open everything.  
*Taken online*