

Engineering, then Management, now
Data Science:

**3 (4?) Stories of Intrapreneurship at the
Faculty of Industrial Engineering & Management
Technion**

Avishai Mandelbaum

IE&M & SEELab, Technion

<http://ie.technion.ac.il/Labs/ServEng/>

- Caveat: I am an expert in neither **Entrepreneurship** nor **Innovation**
- But my faculty (school), Industrial Engineering & Management, carries within Technion the flag of “Management” (hence also the E&I Flag)
- And I happen to be the present Dean of IE&M
- Hence accepted the invitation/challenge

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- Hence accepted the invitation/challenge, encouraged by (my observation)
 - **Management & Engineering – each is changing in the direction of the other (research, teaching, practice)** - if so, my experience possibly relevant:
 - Managers forced to become more “**analytic**”: BI, big-data, ...
 - Engineers forced to “**manage**”: data-based research (A-journals), teaching (e.g. case studies, reversed/active class-room), team work and personal E&I (within individual career-paths)

3 Stories:

Technion (50's; State of Israel “born” in 1948)

Industrial Engineering & Management (IE&M): born as Faculty & Profession

Personal (90's; BSc=Math + CS, MSc = Stat, PhD = OR; 1st job = BusSchool)

Service Engineering: Research, Teaching, Management Support

IE&M (Ongoing, both “IE” and “M” in flux)

Data Science & Engineering (DS&E): BSc, Research (Culture)

4th Story?

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... and perhaps we are now creating the 4th story?

Story 1: Industrial Engineering & Management (IE&M)

1958 - “Born” at Technion, as a Department (and a Profession), by fusing

- *Manufacturing/Industrial Engineering*, from Mechanical Engineering
- *Behavioral Sciences (Psychology, Sociology)*, from General Studies
- *Industrial Relations & Human-Resource Management*, also from GS
- *Operations Research* = newly established theme (included Statistics, Economics)

Founders: Prof's **Pinchas (Paul) Naor**, Shmuel (Sam) Eilon, Sebastian Littauer.

IE&M: Brief History

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Vision: All disciplines join and cross-nurture while still maintaining scholarly/academic legitimacy, via **Areas: all educating IE&M's while each awarding own MSc & PhD**

1968 - Faculty (approx. School, or large department)

- Later more areas: Economics, *Statistics* (70s), *Information Systems* (80s);
- ... and focus themes: *Economics & Computation*, *Service Engineering*, *Entrepreneurship*, *Innovation*, ...

IE&M: Brief History

“**Product**”: System/Industrial **engineers**, w/ sound **scientific** education, trained also in the functions of **management** (human resources, economics, marketing, finance, accounting)

IE&M: Brief History

“**Product**”: System/Industrial **engineers**, w/ sound **scientific** education, trained also in the functions of **management** (human resources, economics, marketing, finance, accounting)

Program in the 70's: Industrial Management, turned later into MBA (now 3 programs), which is a main reason for not having a Business School at Technion

IE&M: Founders' Vision Materializes

Most versatile and one of the largest of its kind world-wide

- Profession constantly in high demand
 - o 11,000+ IE&M Technion alumni
 - o 13 IE&M programs in Israel (research universities, colleges)
 - o 1000 IE&M's graduated in Israel last year (500, 500)
- **World-class research institute**
 - o 50+ researchers, many world-class (editorial boards, prizes, ...)
 - o Guests, postdocs, ...
 - o Alumni that are leading researchers in leading universities

IE&M: Founders' Vision Materializes

- **Versatility (Flexibility, Adaptability) = our strength**
 - o 6 areas w/ critical mass in each: IE, OR, Stat, InfoSys, BehavSc+Management, Econ
 - o 13 Research Laboratories: Optimization, Business Intelligence, SEE,...
 - o Focus themes:
 - Robust Optimization**
 - Behavioral Economics,**
 - Economics & Computation,**
 - IS, Information Retrieval, NLP, Project Mgt/Edu, Stochastics, Game Theory,
 - Service Engineering, ...**

Story 2: Service Engineering (& Science)

Background: Math, CS, Stat, OR; Management, Engineering

History:

- | | | | |
|-----------------|-------|-----------|-------------------------|
| • 80's (PhD) | TQM | Quality | Math, Statistic |
| • 90's (Israel) | BPR | Processes | OR, IE |
| • 00's (SEE) | CRM | Customers | Service-Engineering, IS |
| • 10's | BI/BD | Data | with all above |

(Looking back: Did what I liked and fortunate that others liked as well)

Scope of the Service Industry

Guangzhou Railway Station, Southern China





Research Partners

Students:

Aldor, Baron Yonit, Carmeli-Yuviler Nitzan, Carmeli Boaz, Chen Hong, Cohen Izik, Feldman Zohar, Garnett, Gurvich, Khudiakov, Koren, Maman, Marmor, Reich, Rosenshmidt, Shaikhet, Senderovic, Tseytlin, Yom-Tov, Zaied, Zeltyn, Zychlinski, Zohar Eti, Zviran, ...

Theory:

Armony, Atar, Azriel, Cohen Izik, Gurvich, Feigin, Gal, Huang Junfei, Jelenkovic, Kaspi, Massey, Momcilovic, Reiman, Shimkin, Stolyar, Trofimov, Wasserkrug, Whitt, Yom-Tov, Zeltyn, Zhang Jiheng, Zhang Hanqin, ...

Exploratory Data Analysis, Data Sources, Statistics, Projects:

Brown, Gans, Shen Haipeng, Zhao Linda; Zeltyn; Ritov, Goldberg; Gurvich, Huang Junfei, Liberman; Liu Nan, Ye Han; Armony, Marmor, Tseytlin, Yom-Tov; Gorfine, Ghebali; Tezcan; Kim Song-Hee, Won Chul Cha; He Shuangchi, Sim Melvyn; Feigin, Azriel; Rafaeli, Yom-Tov, ...

Industry:

Mizrahi Bank, Fleet Bank, Rambam Hospital, IBM Research, Hapoalim Bank, Pelephone Cellular, Samsung Hospital, Dana Farber Cancer Institute, LivePerson, ...

Technion SEE Laboratory (SEELab):

Feigin; Trofimov, Nadjharov, Gavako; Kutsy; Senderovic, Carmeli; Liberman, Koren, Plonsky; Research Assistants, Visitors, Postdocs, ...

The Case for Service Science / Engineering

- ▶ **Service Science / Engineering** (vs. Management) are emerging **Academic Disciplines**. For example, universities (world-wide), IBM (SSME, a la Computer-Science), USA NSF (SEE), Germany IAO (ServEng), ...
- ▶ Models that explain **fundamental phenomena**, which are **common** across applications:
 - **Call Centers**
 - **Hospitals**
 - **Transportation**
 - Justice, Fast Food, Police, Internet, ...
- ▶ **Simple models** at the Service of **Complex Realities** (Human)
Note: Simple yet rooted in **deep analysis**.

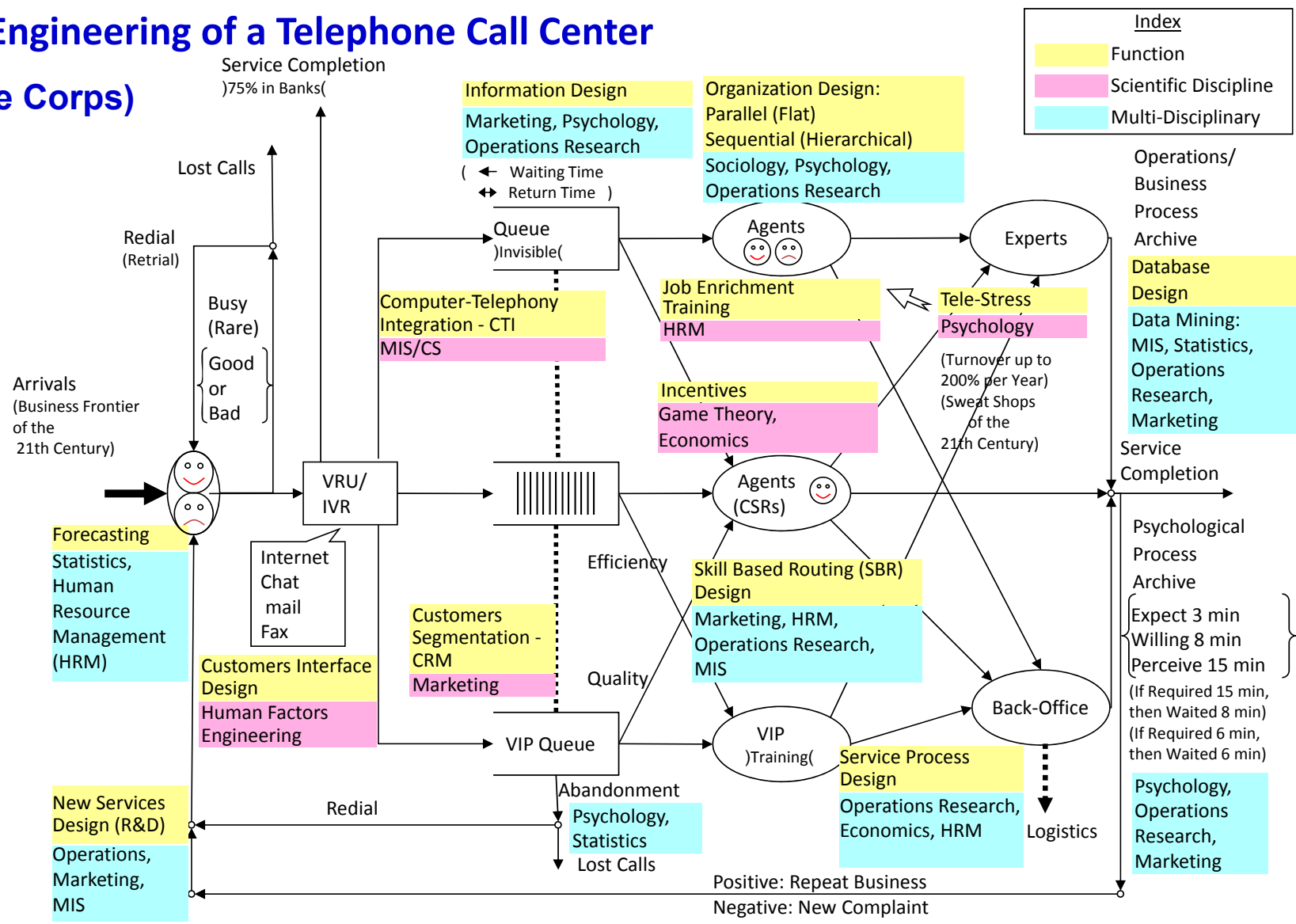
Call-Center Environment: Service Network

= “Fruit-flies of Hospitals”: fast, low-stake, no IRB, ...
yet highly relevant



Service Engineering of a Telephone Call Center

(Esprit de Corps)



ER / ED Environment: Service Network

Acute (Internal, Trauma)



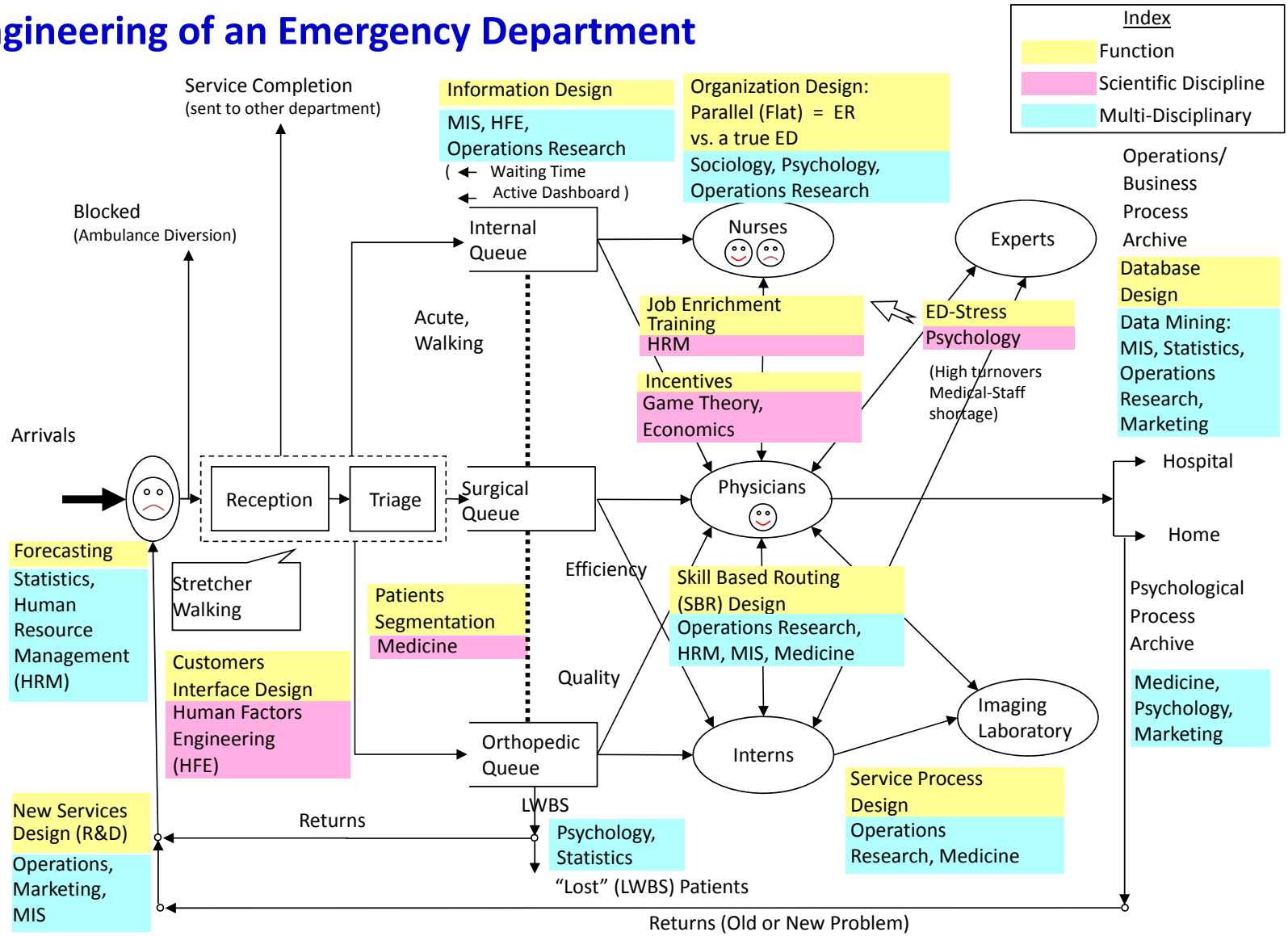
Walking



Multi-Trauma



Service Engineering of an Emergency Department



Technion SEE Lab

Service Enterprise Engineering / Science

2007-

Donation: Hal and Inge Marcus

Founders: Feigin P., Mandelbaum A.

Researches: Valery Trofimov,

Ella Nadjharov, Igor Gavako, ...

- Students
- Guests



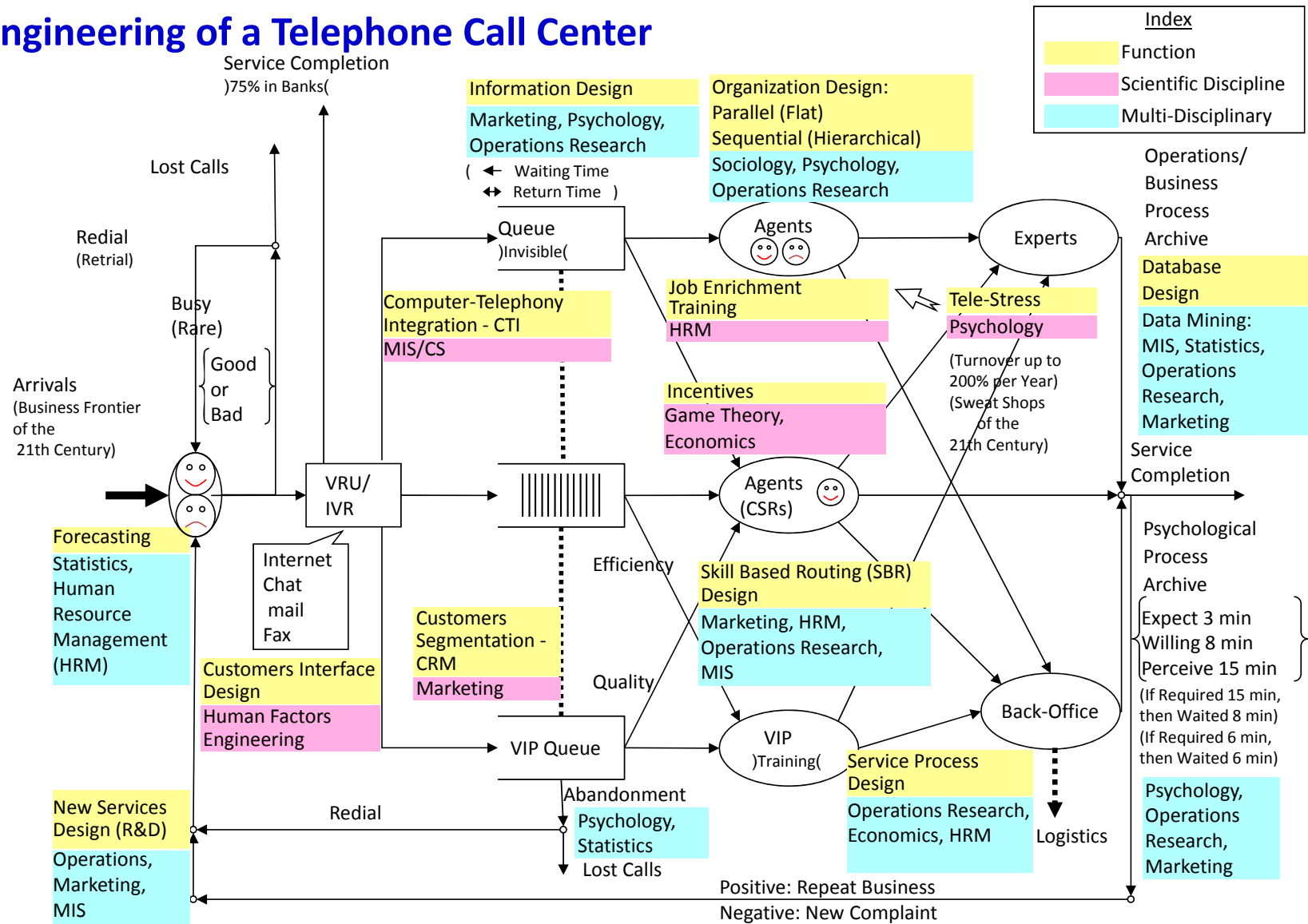
SEELab: Environment for graphical EDA in real-time

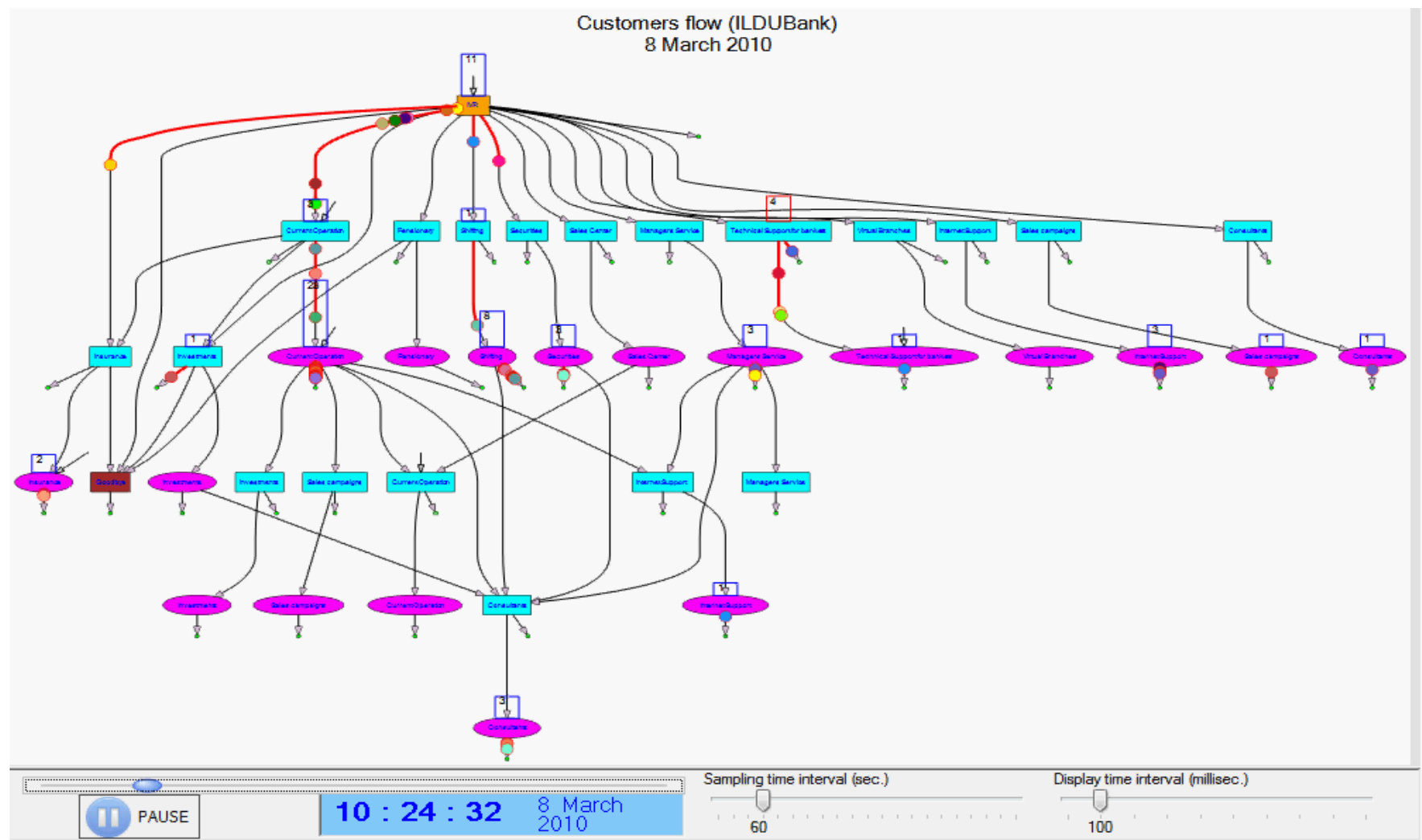
Detailed **operational histories** (customers, servers), e.g.

1. *Bank Anonymous : **1 year, 350K calls by 15 agents** - in 2000, which paved the way to:
2. *U.S. Bank : **2.5 years, 220M calls, 40M by 1000 agents**
3. Israeli Cellular: **2.5 years, 110M calls, 25M calls by 750 agents**
4. Israeli Bank: **from January 2010, daily-deposit at a SEESafe**
5. Service Engineering **internet site**: click-stream data (2 years)
6. *Home (Rambam) Hospital : **4 years, 1000 beds**, inter-ward flow
7. **Emergency Department (ED) patient flow**:
 - 5 EDs in Israel: 1-2 years, **late David Sinreich**, ED arrivals & LOS
 - ED in Seoul: 2 months, **K. Song-Hee & W. Cha**, pilot
 - ED in XY: 2 years, pilot
8. **Hospital RTLS (Real-Time Location System)**:
 - **250K events/day: 1000 patients, 350 staff (1500 tagged entities)**
 - Infrastructure: **900 readers (sensors), many floors**

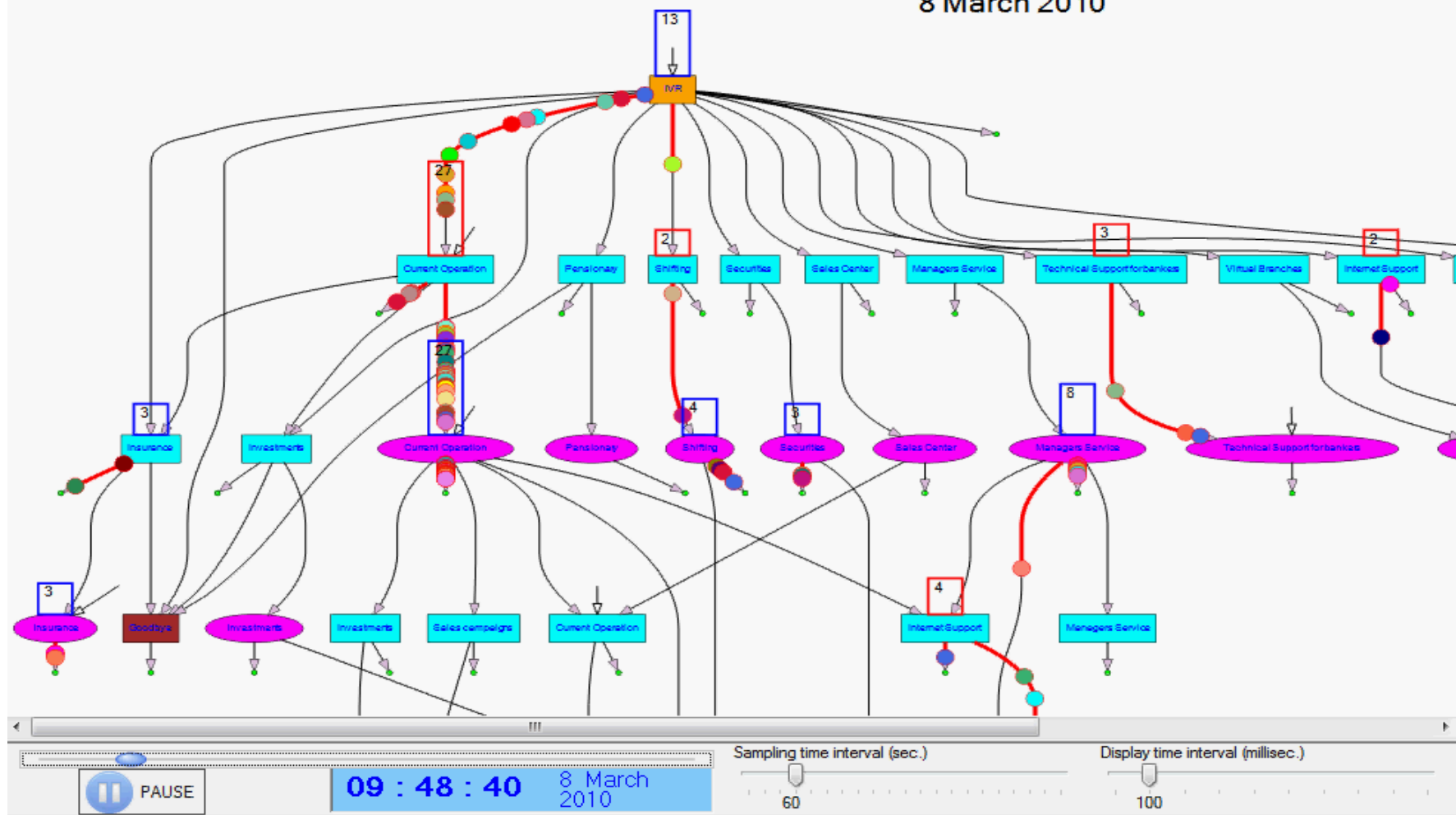
***Open & Free for research and teaching**

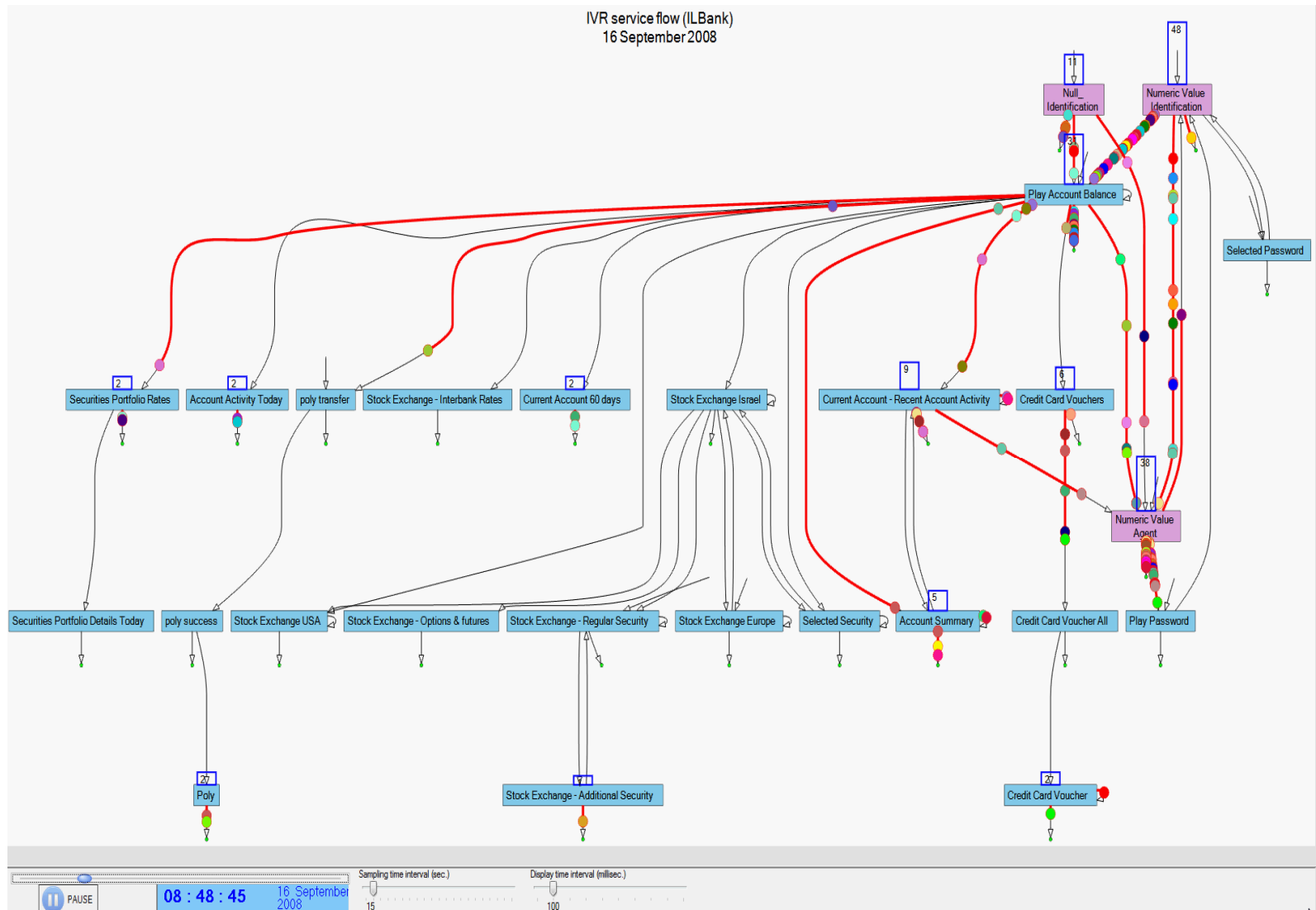
Service Engineering of a Telephone Call Center

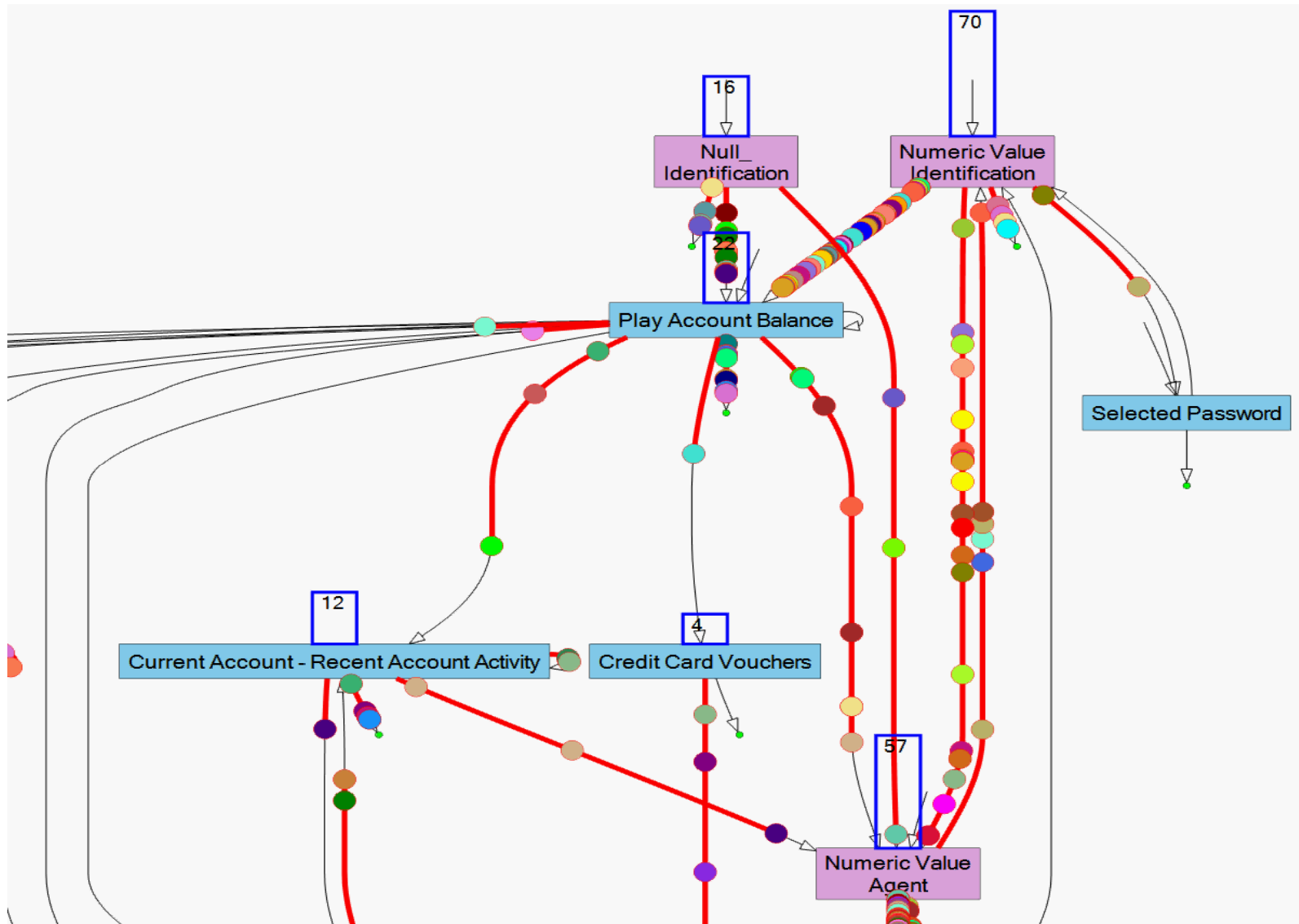




Customers flow (ILDUBank) 8 March 2010

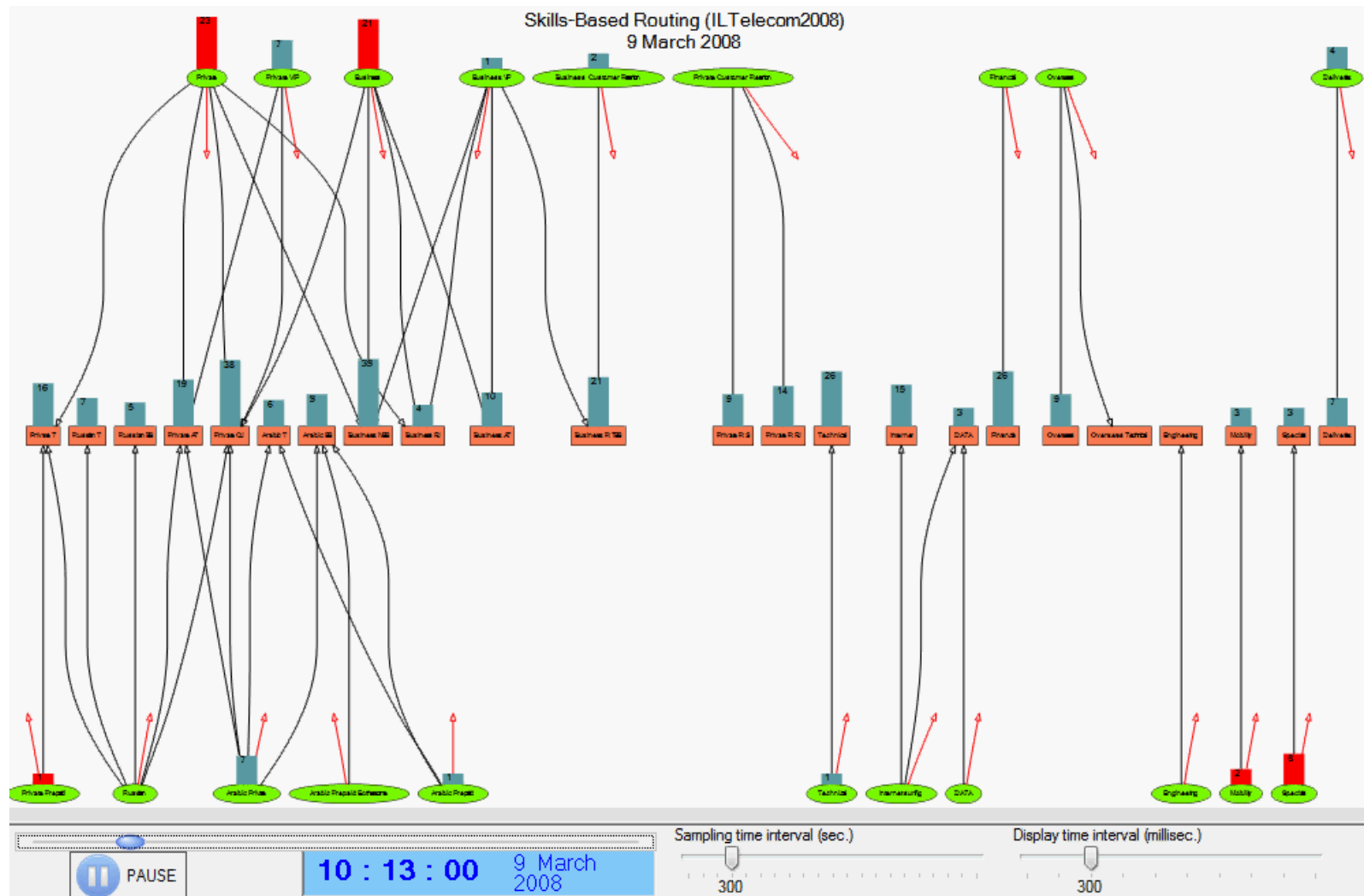




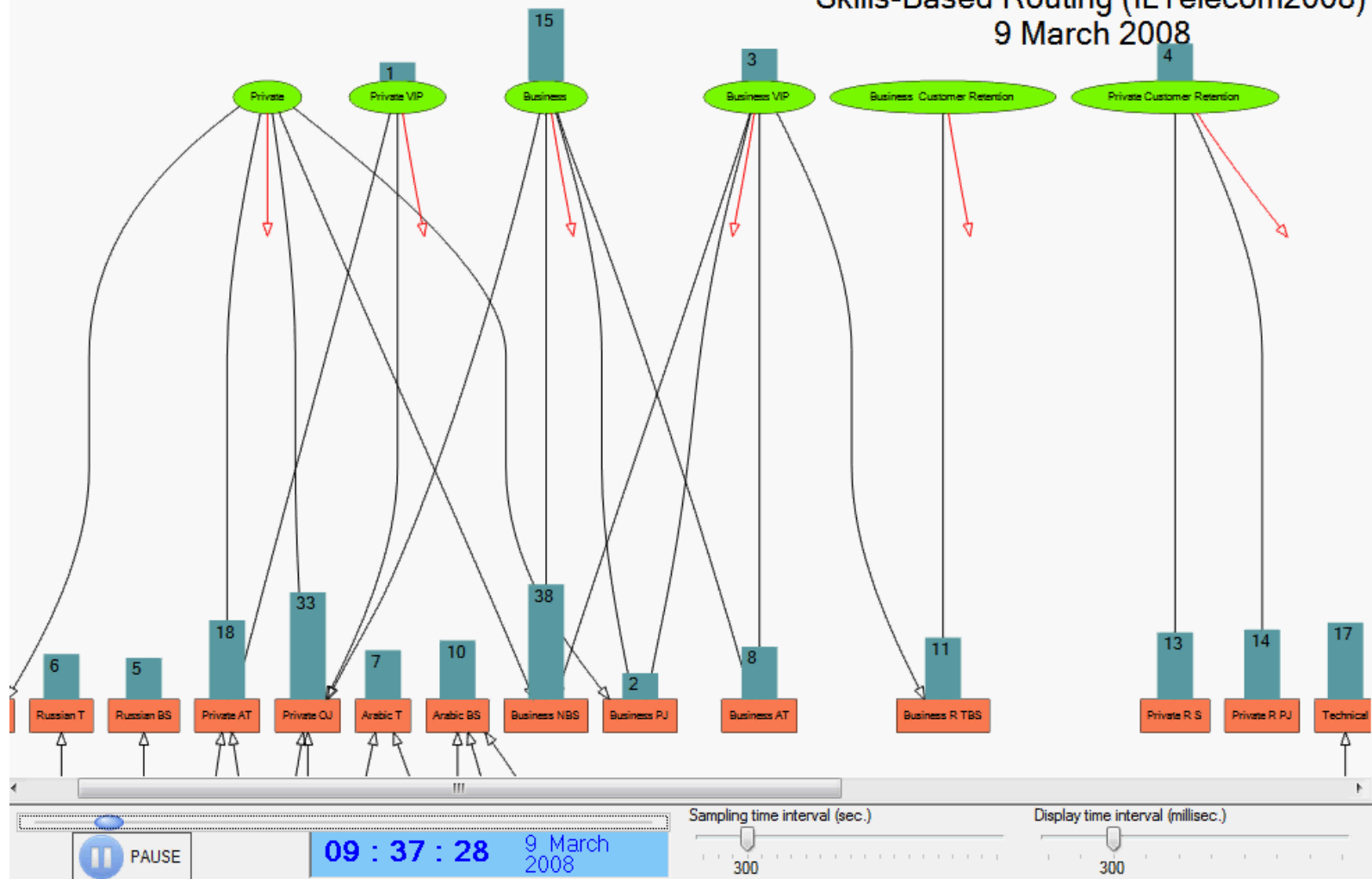


Use Case: Skills-Based Routing in a Call Center

- **Customer Classes**
 - **Marketing** segregates customers according to their needs and/or importance – this determines customer priorities
- **Agent Skills**
 - **Human-Resources** Management assigns agent skills according to capabilities, experience (training) – this determines agent constituencies
- **Matching Class & Skill (Demand and Supply)**
 - **Operations-Researchers** develop matching algorithms so that customers don't wait long for an agent (service-level) and agents don't wait long for a customer (efficiency)
- **Information Infrastructure (IS/CS)**
- **Data Management (Statisticians)**



Skills-Based Routing (ILTelecom2008) 9 March 2008

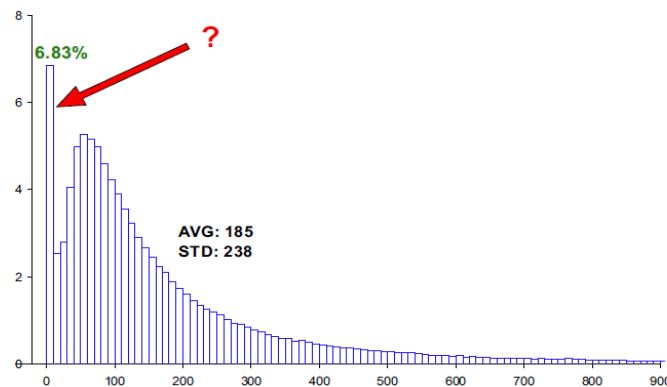


Building Blocks of a Model: Service Durations

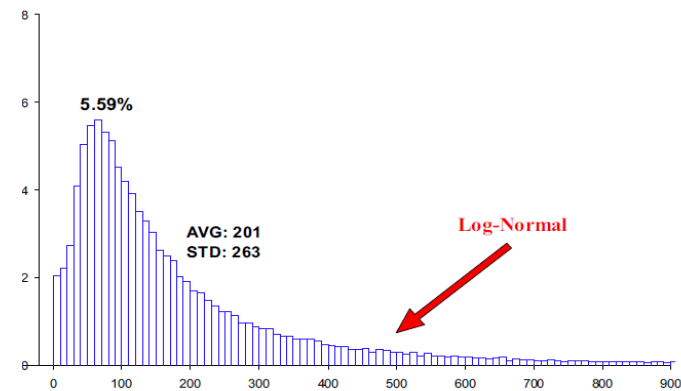
Histogram of Service-Duration in an Israeli Call Center, 1999

Why short services? Why LogNormal?

January-October



November-December

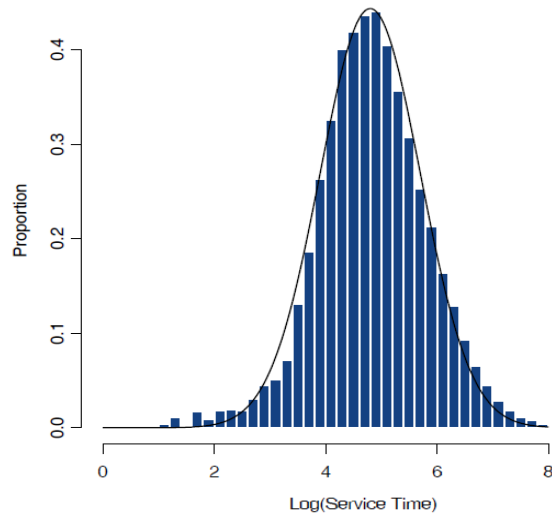


- ▶ January-October: **6.8% Short-Services** (≤ 10 seconds) ?
- ▶ November-December: **LogNormal** durations (common) ?

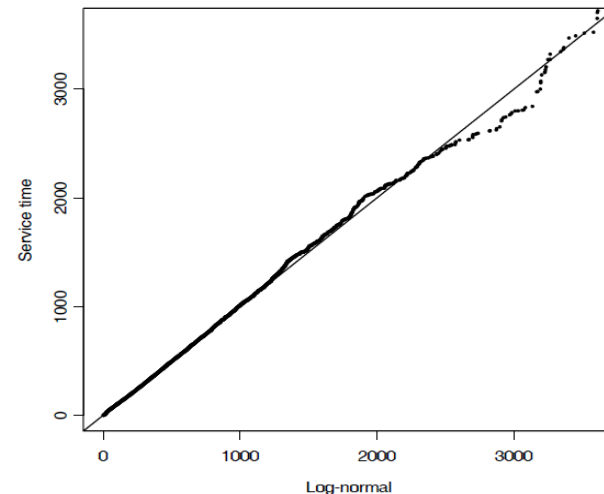
Durations: Phone Calls (Surprises)

Israeli Call Center, Nov–Dec, 1999

Log(Service Times)

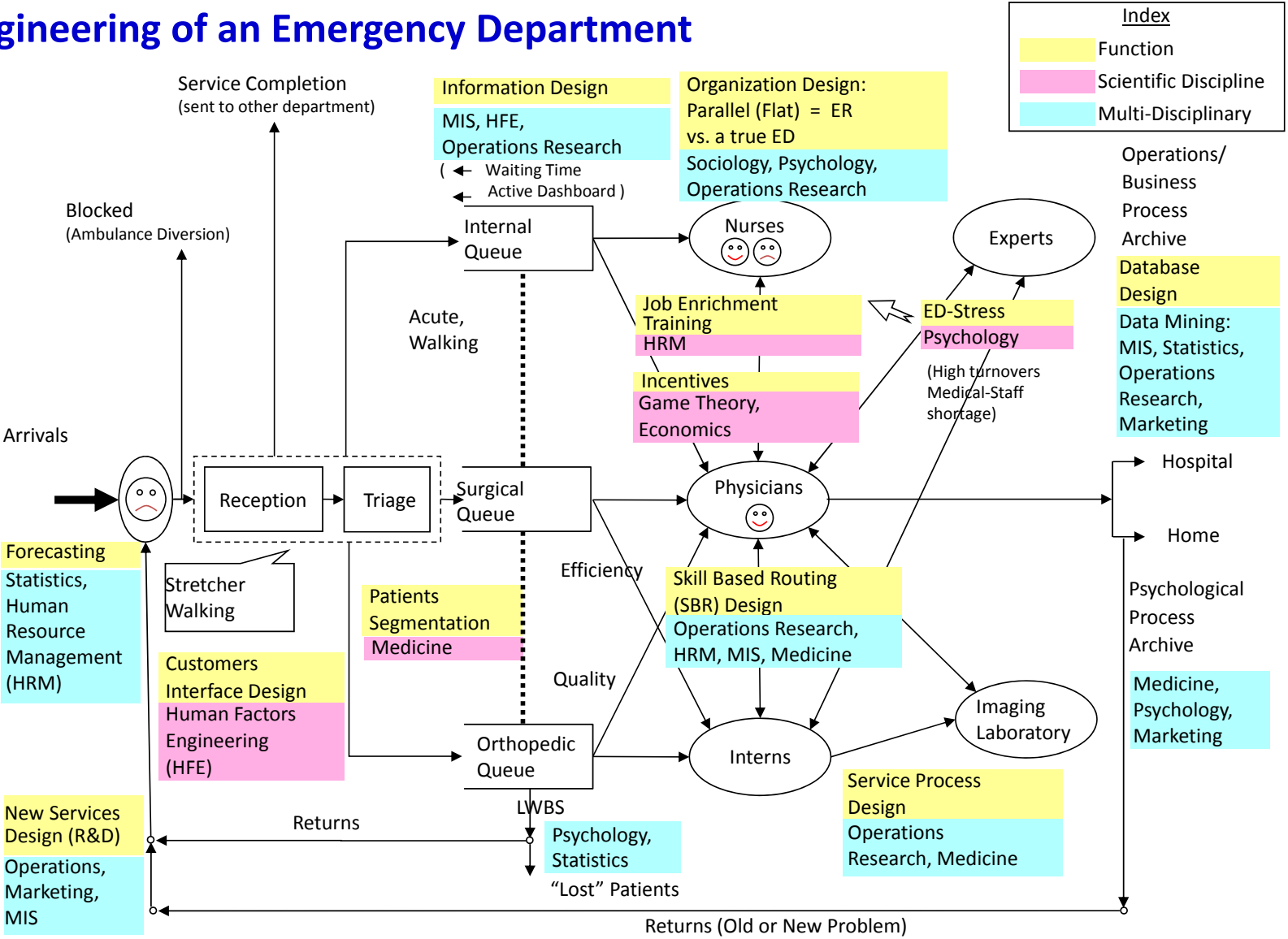


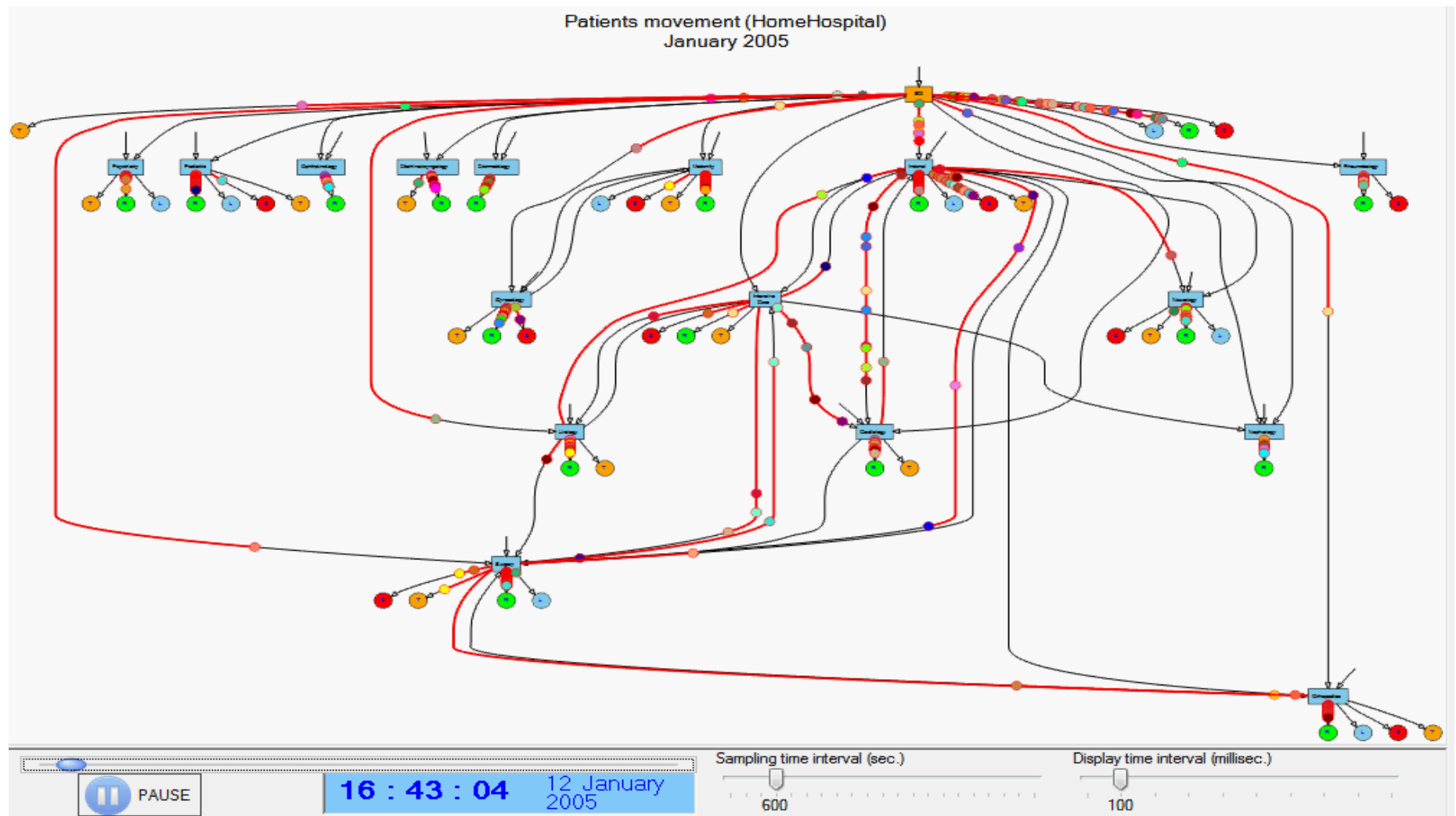
LogNormal QQPlot



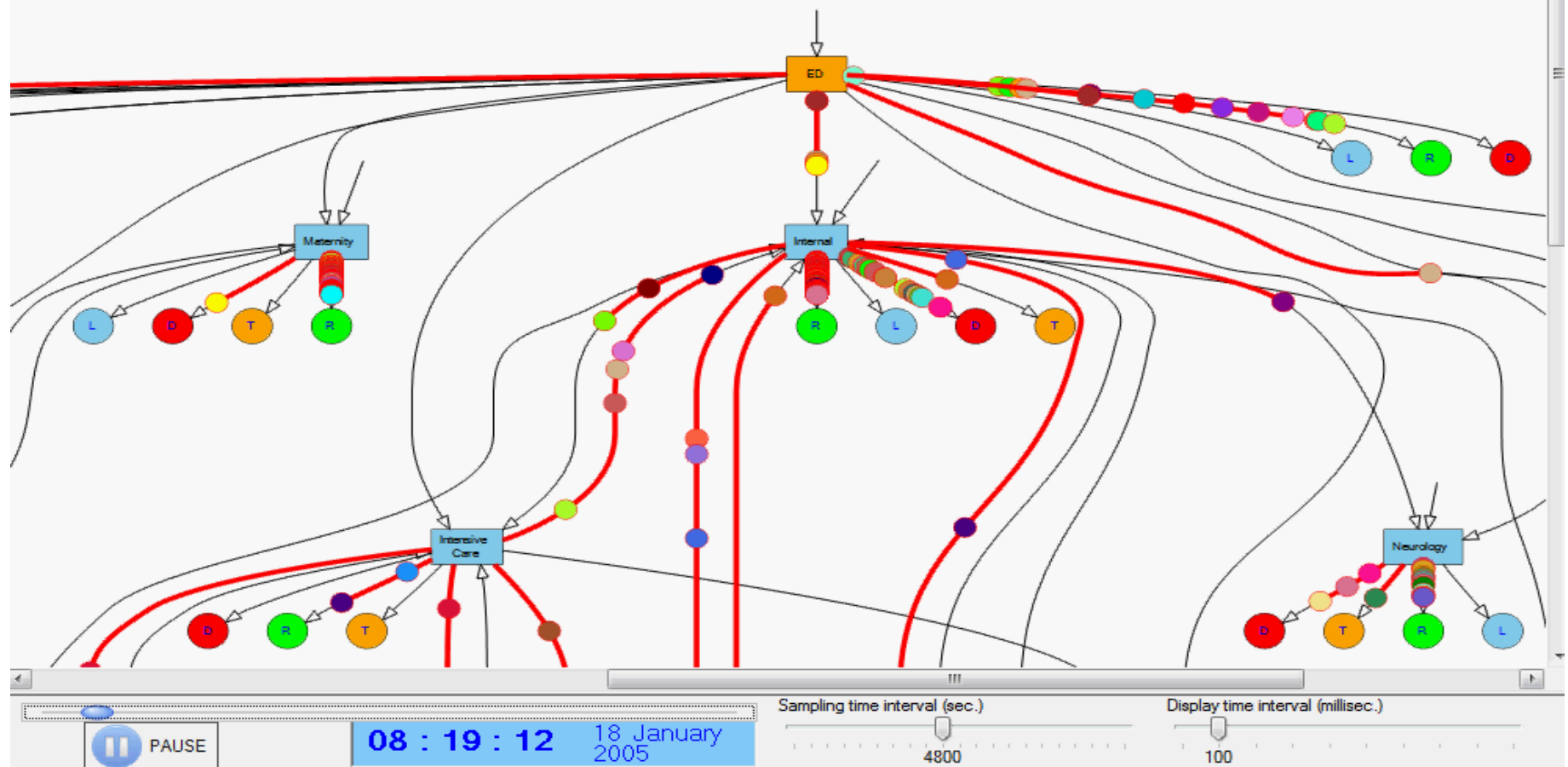
- ▶ **Practically Important:** (mean, std)(log) characterization
- ▶ **Theoretically Intriguing:** Why LogNormal ? Naturally multiplicative but, in fact, also **Infinitely-Divisible** (Generalized Gamma-Convolutions)

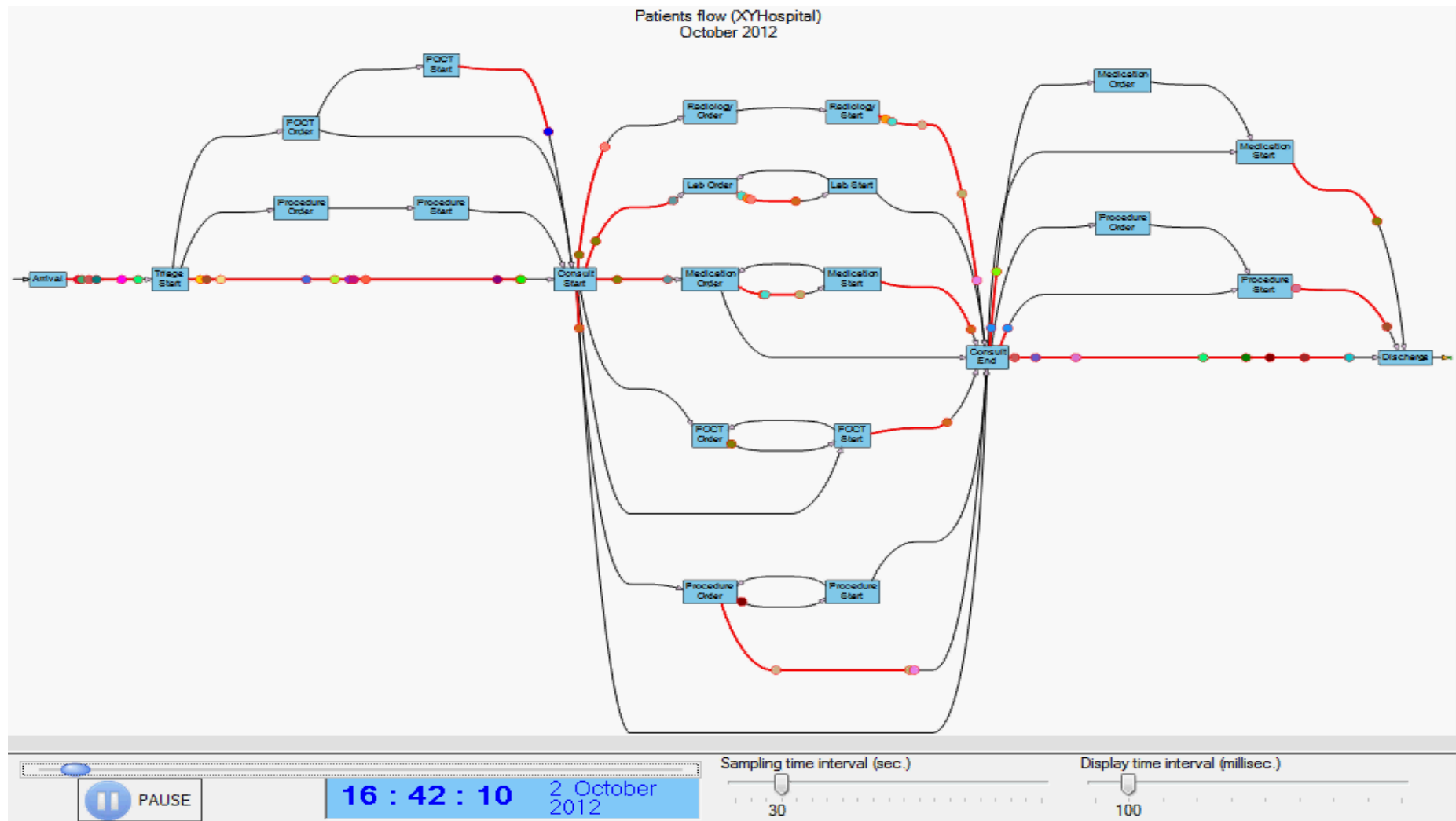
Service Engineering of an Emergency Department

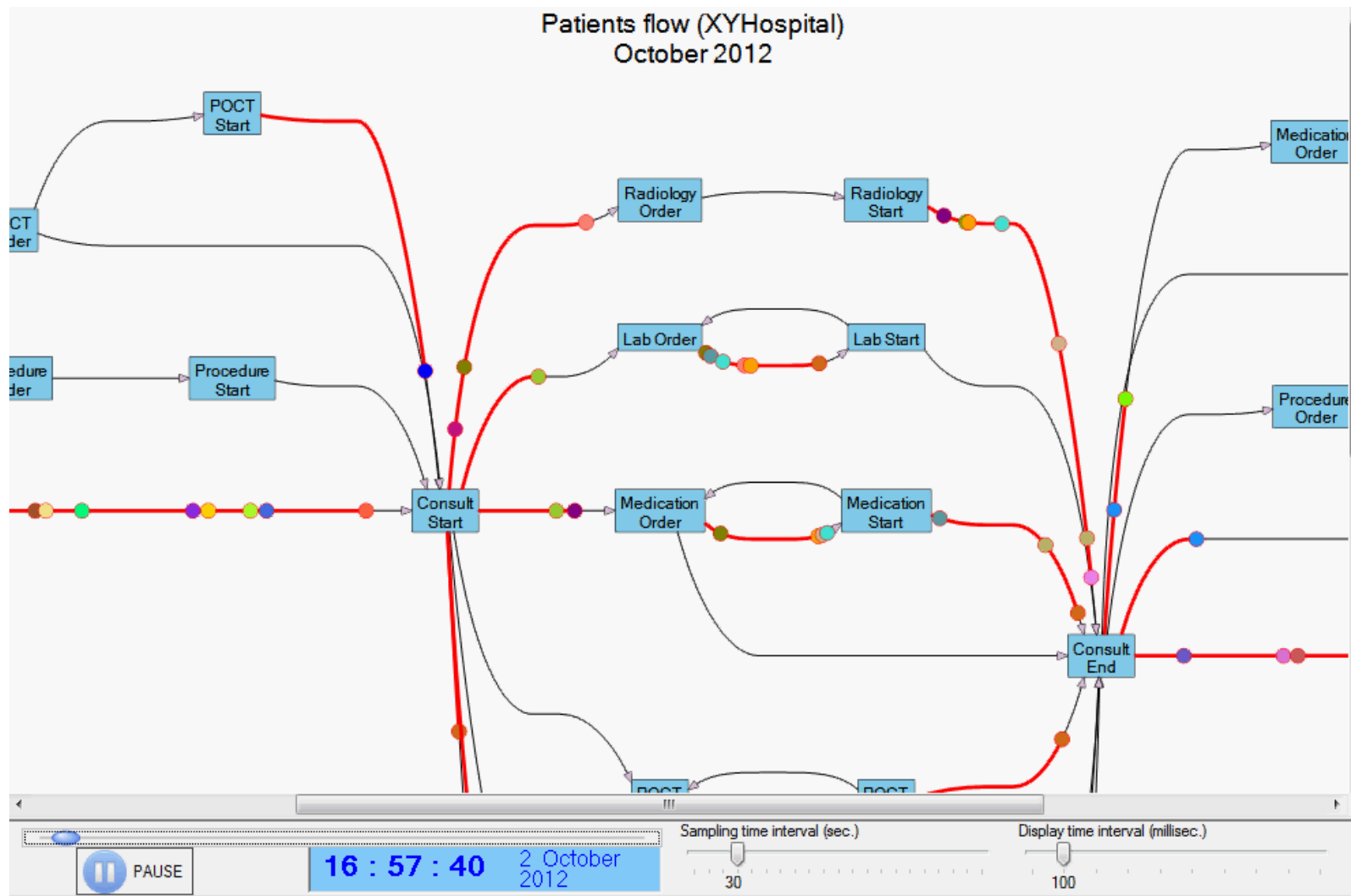




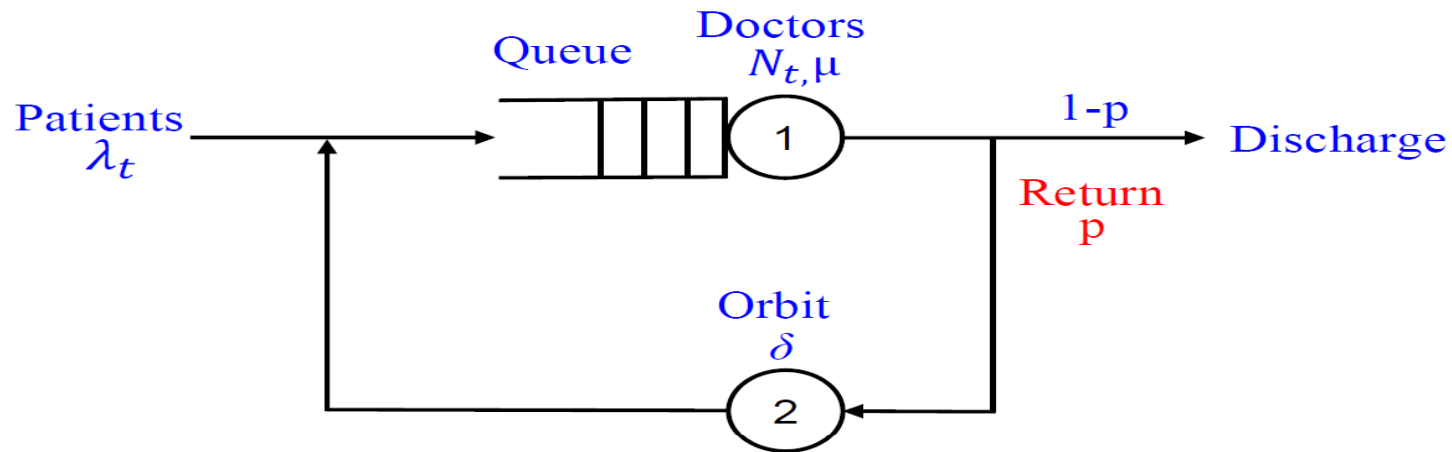
Patients movement (HomeHospital) January 2005







Erlang-R $\leftrightarrow$ Fluid Model

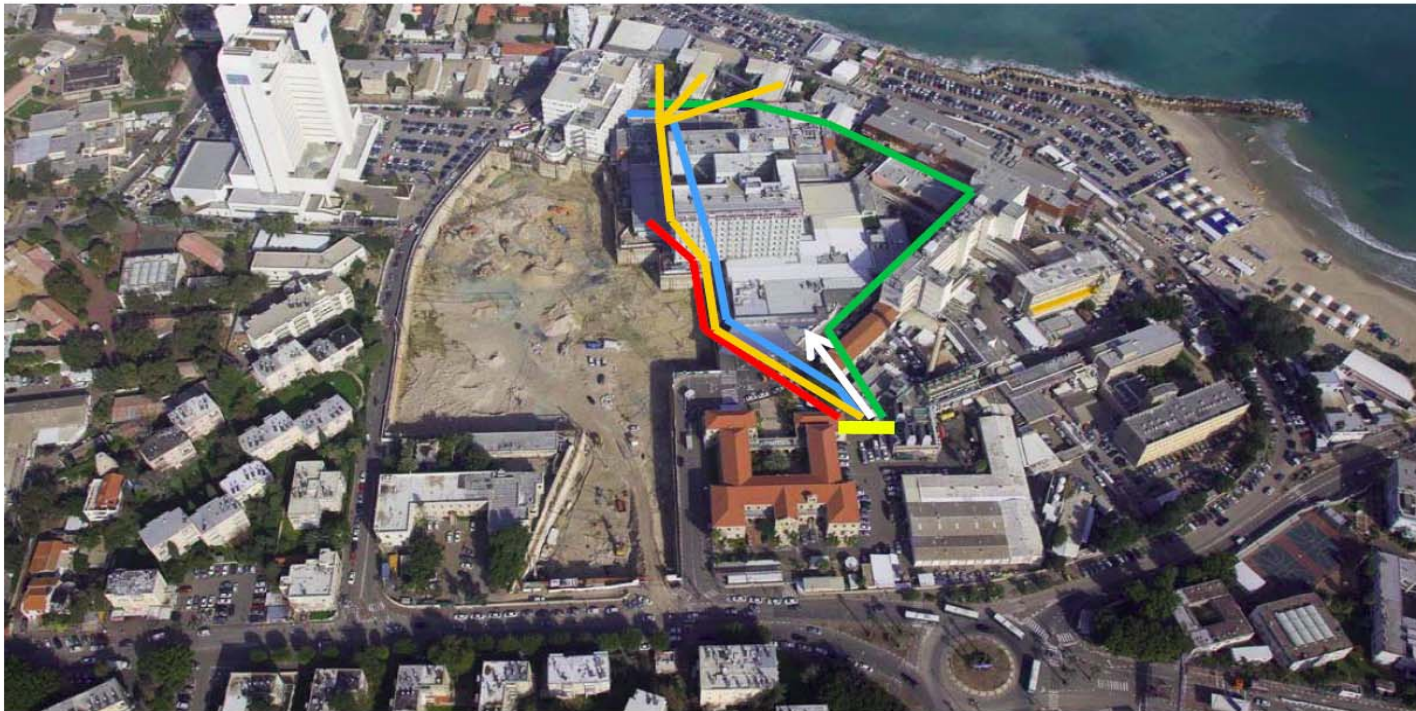


Functional Strong Law of Large Numbers, for a 2-station QNet. BUT **FNet** = ODE: derived **directly** (no QNet), spreadsheet “solution”

$$\begin{aligned}\frac{d}{dt}q_t^1 &= \lambda_t - \mu \cdot (q_t^1 \wedge N_t) + \delta \cdot q_t^2 \\ \frac{d}{dt}q_t^2 &= p \cdot \mu \cdot (q_t^1 \wedge N_t) - \delta \cdot q_t^2\end{aligned}$$

eg. **RFID-Based Data: Mass Casualty Event (MCE)**

Drill: Chemical MCE, Rambam Hospital, May 2010



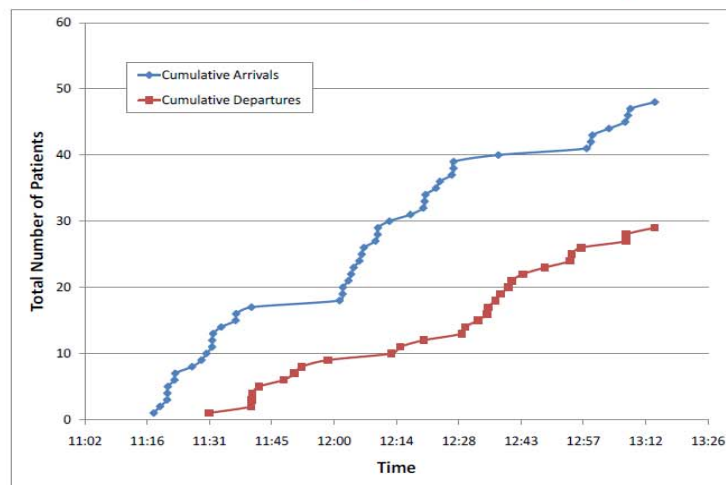
Focus on **severely wounded** casualties (≈ 40 in drill)

Note: 20 observers support real-time control (helps validation)

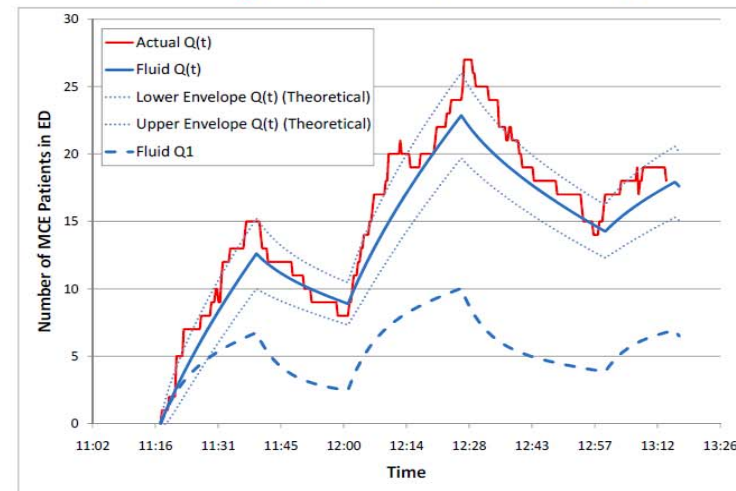
FNet vs. Data :Erlang-R value

Chemical MCE Drill (Israel, May 2010, 11:00-13:00)

Arrivals & Departures (RFID)



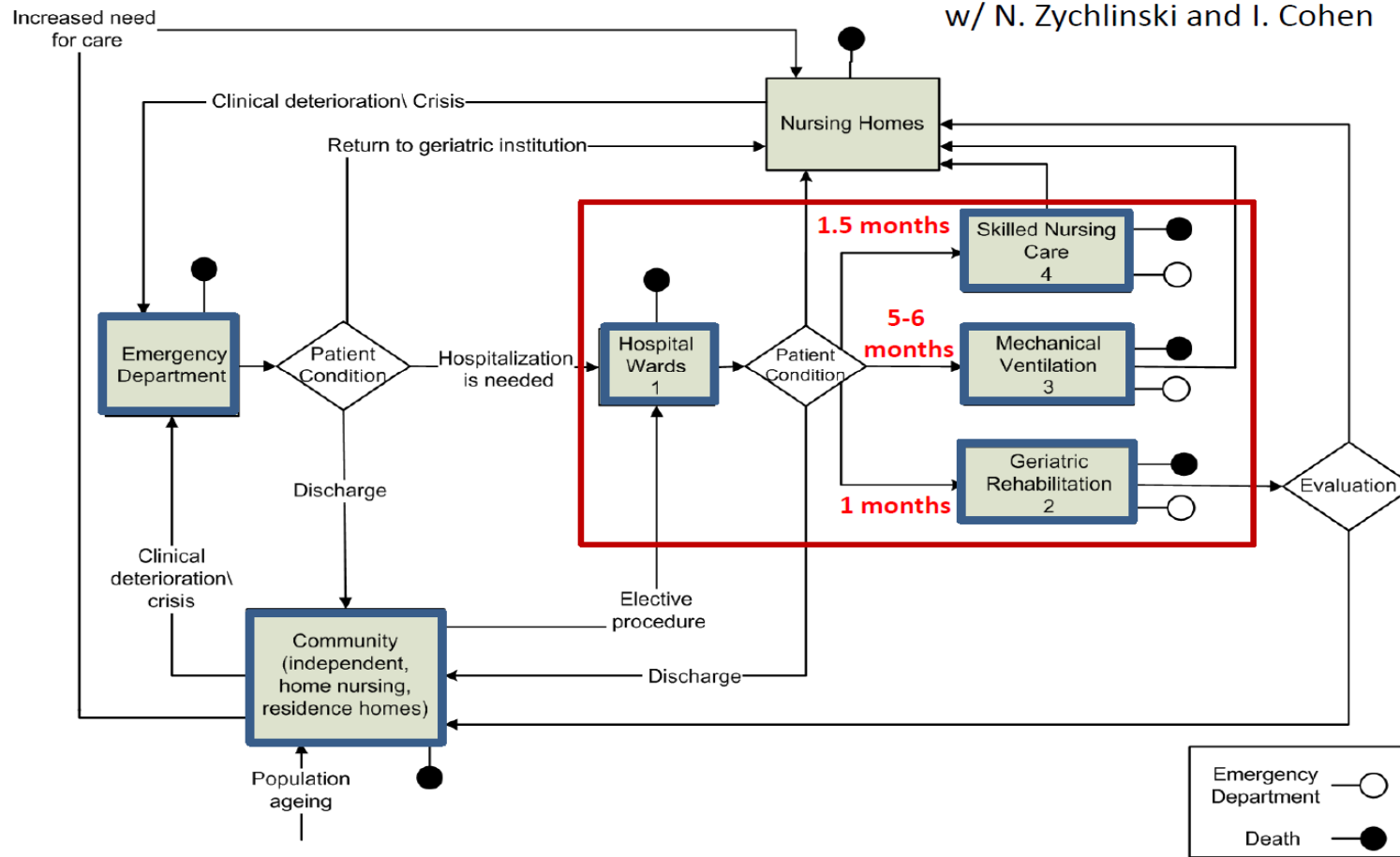
Erlang-R (Fluid , Diffusion)



- ▶ **Recurrent/Repeated** services in Chemical MCE: injection every 15/30/60 min
- ▶ **Fluid** = ODE
- ▶ **Diffusion** (confidence band), via F. Central Limit Theorem: Usefully narrow

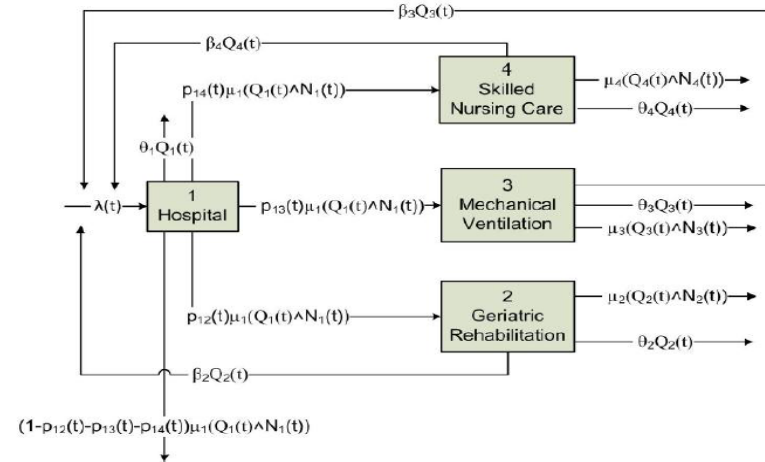
Patient Flow: ED to Wards to Nursing/Geriatric Institutions

w/ N. Zychlinski and I. Cohen



A Fluid Model

Stations 2,3 and 4



$$\dot{Q}_2(t) = (p_{12}(t)\mu_1 \cdot (Q_1(t) \wedge N_1)) \wedge (N_2 - Q_2(t))^+ - \theta_2 Q_2(t) - \beta_2 Q_2(t) - \mu_2 \cdot (Q_2(t) \wedge N_2)$$

$$\dot{Q}_3(t) = (p_{13}(t)\mu_1 \cdot (Q_1(t) \wedge N_1)) \wedge (N_3 - Q_3(t))^+ - \theta_3 Q_3(t) - \beta_3 Q_3(t) - \mu_3 \cdot (Q_3(t) \wedge N_3)$$

$$\dot{Q}_4(t) = (p_{14}(t)\mu_1 \cdot (Q_1(t) \wedge N_1)) \wedge (N_4 - Q_4(t))^+ - \theta_4 Q_4(t) - \beta_4 Q_4(t) - \mu_4 \cdot (Q_4(t) \wedge N_4).$$

Asymptotic Landscape: 9 Operational Regimes, and then some

Erlang-A, w/ I. Gurvich & J. Huang

Erlang-A μ & θ fixed	Conventional scaling			Many-Server scaling			NDS scaling		
	Sub	Critical	Over	QD	QED	ED	Sub	Critical	Over
Offered load per server	$\frac{1}{1+\delta}$	$1 - \frac{\beta}{\sqrt{n}}$	$\frac{1}{1-\gamma}$	$\frac{1}{1+\delta}$	$1 - \frac{\beta}{\sqrt{n}}$	$\frac{1}{1-\gamma}$	$\frac{1}{1+\delta}$	$1 - \frac{\beta}{n}$	$\frac{1}{1-\gamma}$
Arrival rate λ	$\frac{\mu}{1+\delta}$	$\mu - \frac{\beta}{\sqrt{n}}\mu$	$\frac{\mu}{1-\gamma}$	$\frac{n\mu}{1+\delta}$	$n\mu - \beta\mu\sqrt{n}$	$\frac{n\mu}{1-\gamma}$	$\frac{n\mu}{1+\delta}$	$n\mu - \beta\mu$	$\frac{n\mu}{1-\gamma}$
# servers	1			n			n		
Time-scale	n			1			n		
Impatience rate	θ/n			θ			θ/n		
Staffing level	$\frac{\lambda}{\mu}(1+\delta)$	$\frac{\lambda}{\mu}(1 + \frac{\beta}{\sqrt{n}})$	$\frac{\lambda}{\mu}(1-\gamma)$	$\frac{\lambda}{\mu}(1+\delta)$	$\frac{\lambda}{\mu} + \beta\sqrt{\frac{\lambda}{\mu}}$	$\frac{\lambda}{\mu}(1-\gamma)$	$\frac{\lambda}{\mu}(1+\delta)$	$\frac{\lambda}{\mu} + \beta$	$\frac{\lambda}{\mu}(1-\gamma)$
Utilization	$\frac{1}{1+\delta}$	$1 - \sqrt{\frac{\theta}{\mu}} \frac{h(\hat{\beta})}{\sqrt{n}}$	1	$\frac{1}{1+\delta}$	$1 - \sqrt{\frac{\theta}{\mu}} \frac{h(\hat{\beta})}{\sqrt{n}}$	1	$\frac{1}{1+\delta}$	$1 - \sqrt{\frac{\theta}{\mu}} \frac{h(\hat{\beta})}{n}$	1
$\mathbb{E}(Q)$	$\frac{1}{\delta(1+\delta)}$	$\sqrt{n}g(\hat{\beta})$	$\frac{n\mu\gamma}{\theta(1-\gamma)}$	$\frac{1}{\delta}\varrho_n$	$\sqrt{n}g(\hat{\beta})\alpha$	$\frac{n\mu\gamma}{\theta(1-\gamma)}$	$o(1)$	$ng(\hat{\beta})$	$\frac{n^2\mu\gamma}{\theta(1-\gamma)}$
$\mathbb{P}(Ab)$	$\frac{1}{n} \frac{1}{\delta} \frac{\theta}{\mu}$	$\frac{\theta}{\sqrt{n}\mu} g(\hat{\beta})$	γ	$\frac{1}{n} \frac{(1+\delta)}{\delta} \frac{\theta}{\mu} \varrho_n$	$\frac{\theta}{\sqrt{n}\mu} g(\hat{\beta})\alpha$	γ	$o(\frac{1}{n^2})$	$\frac{\theta}{n\mu} g(\hat{\beta})$	γ
$\mathbb{P}(W_q > 0)$	$\frac{1}{1+\delta}$	≈ 1		ϱ_n	$\alpha \in (0,1)$	≈ 1	≈ 0	≈ 1	
$\mathbb{P}(W_q > T)$	$\frac{1}{1+\delta} e^{-\frac{\delta}{1+\delta}\mu T}$	$1 + O(\frac{1}{\sqrt{n}})$	$1 + O(\frac{1}{n})$	≈ 0		$f(T)$	≈ 0	$\frac{\bar{\Phi}(\hat{\beta} + \sqrt{\theta\mu}T)}{\bar{\Phi}(\hat{\beta})}$	$1 + O(\frac{1}{n})$
Congestion $\frac{\mathbb{E}W_q}{\mathbb{E}S}$	$\frac{1}{\delta}$	$\sqrt{n}g(\hat{\beta})$	$n\mu\gamma/\theta$	$\frac{1}{n} \frac{(1+\delta)}{\delta} \varrho_n$	$\frac{\alpha}{\sqrt{n}}g(\hat{\beta})$	$\frac{\mu\gamma}{\theta}$	$o(\frac{1}{n})$	$g(\hat{\beta})$	$n\mu\gamma/\theta$

Story 3: What's Next - Diagnosis

- Many fast changes, mainly due to technological advances but no less so because of **data** availability through these technologies: unprecedented quantity, granularity and quality
- Strong market demand for “data-professionals” (vaguely defined)
- IE&M has always had a “**Data Culture**” (Climate): in research and teaching, collected in the real-world or research labs (controlled experiments)
- Technion & IE&M, being **research**-driven institutions, advance the boundary of knowledge, and disseminate the knowledge created through teaching and alumni
- IE&M has been a great **success-story**: 13 programs in Israel is clear testimony to our success, but it also calls for perhaps **Reinvention** or at least **Invigoration** of the profession (within Technion) – **and we are in the process of doing both**

What's Next: Prognosis

- **Reinvention**: Created the profession **Data Science & Engineering** - B.Sc. in DS&E, who will extract useful information from vast amounts of data via computerized technologies
- **Invigoration**: DS&E requires additional faculty members, new courses and improved infrastructure, which will be used to invigorate the existing IE&M (e.g. Increase fraction of electives, consolidate concentrations)

Data Handling (Education)

Gathering

- Web and social media crawling
- Stream processing
- Information elicitation

Managing

- Data integration
- Big graph partitioning
- Probabilistic data management

Analyzing

- (Sponsored) Search
- Sentiment analysis
- Decision making
- Time series
- Process analysis
- Ad exchange
- Differential pricing
- Prediction

Visualizing

- Interaction
- Animation

Tasks

- Mechanism design (crowd sourcing)
- Event processing and sensors (hospitals, transportation)

- Search engines
- Databases (SQL, noSQL, newSQL, probabilistic DB)
- Cloud computing

- Economics & computation
- Information retrieval & natural language processing
- Operations research (optimization, simulation)
- Statistics & machine learning

- User experience
- Cognitive science

Areas/Tools

Data Science and Engineering



Gaining Experience with Data:

- Data collection and management laboratory
- Data analysis and presentation laboratory
- Industry project (summer internship)

Data Types:

- Applied econometrics (economic)
- Information retrieval (textual)
- Natural language processing (textual)
- Service system engineering (operational)
- Periodic series (time-based)
- Event processing (sensory)
- Environmental data
- Epidemiological data

Data collection and management:

- Database management systems
- Managing distributed data
- Distributed information systems

Information analysis and presentation:

- Statistical theory
- Data mining
- Computational learning and online optimization
- Visual information presentation and cognition

Scientific and Engineering Fundamentals:

- Introduction to data science
- Deterministic models in operations research
- Stochastic models in operations research
- Introduction to statistics
- Fundamentals of artificial intelligence
- Models of electronic commerce
- Industrial psychology
- Human factor engineering
- Numerical simulation

Mathematics:

- Two calculus courses
- Algebra
- Discrete mathematics
- Numerical analysis
- Probability
- Rational agents

Computer Science:

- Introduction to computer science
- Data structures and algorithms
- Introduction to computation and logic modeling

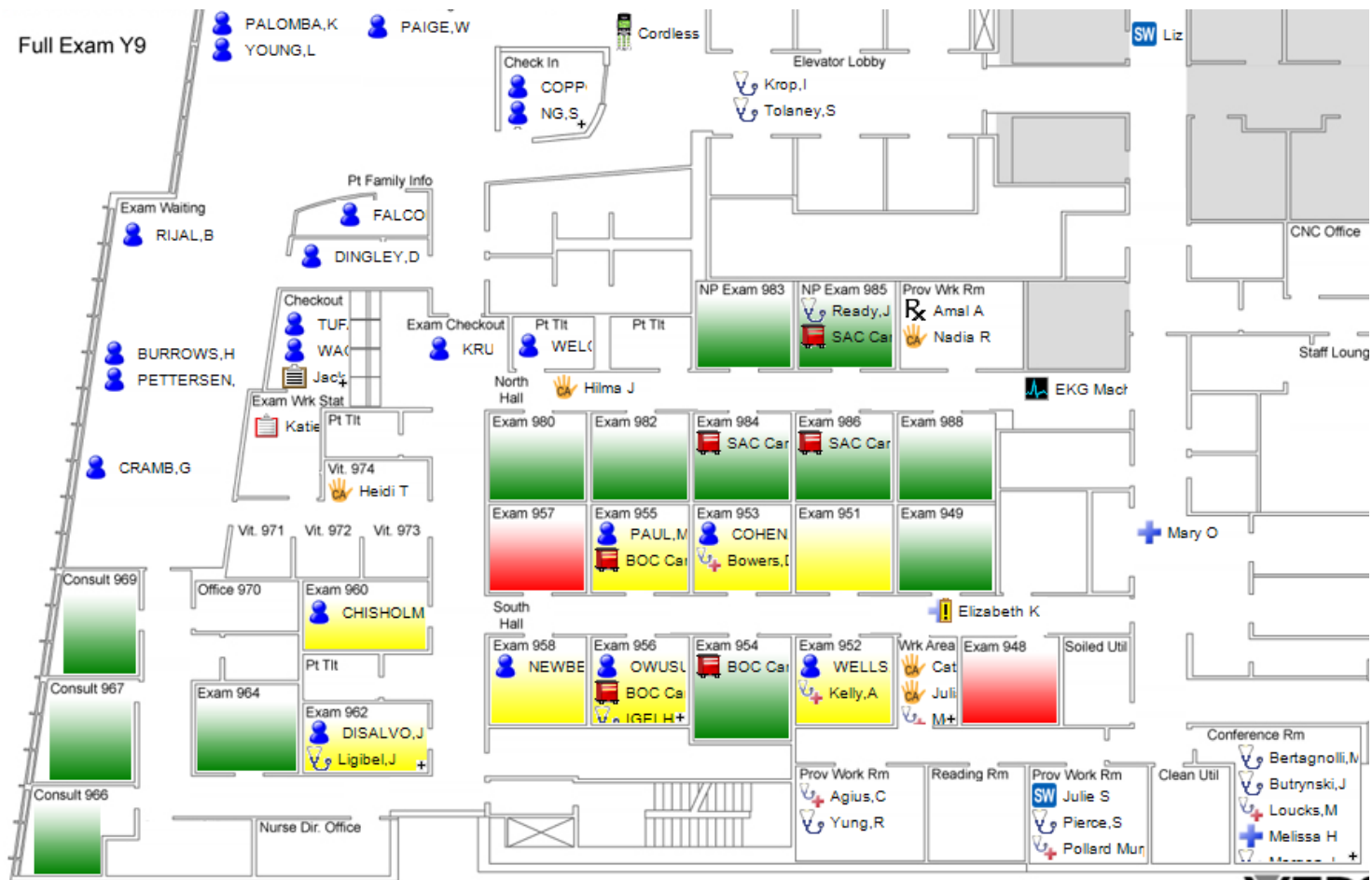
General:

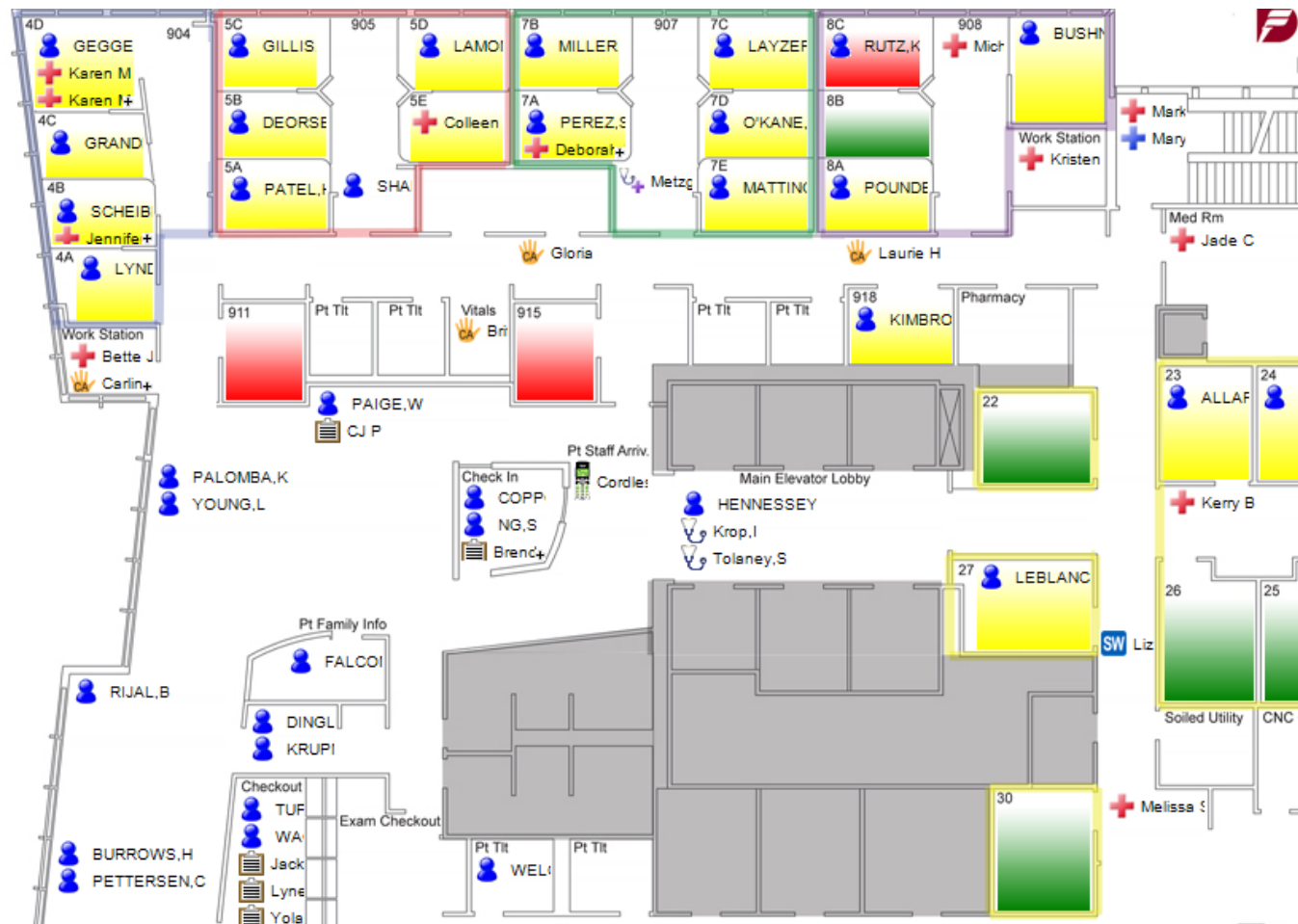
- Physics 1
- Two scientific courses
- Physical education
- English

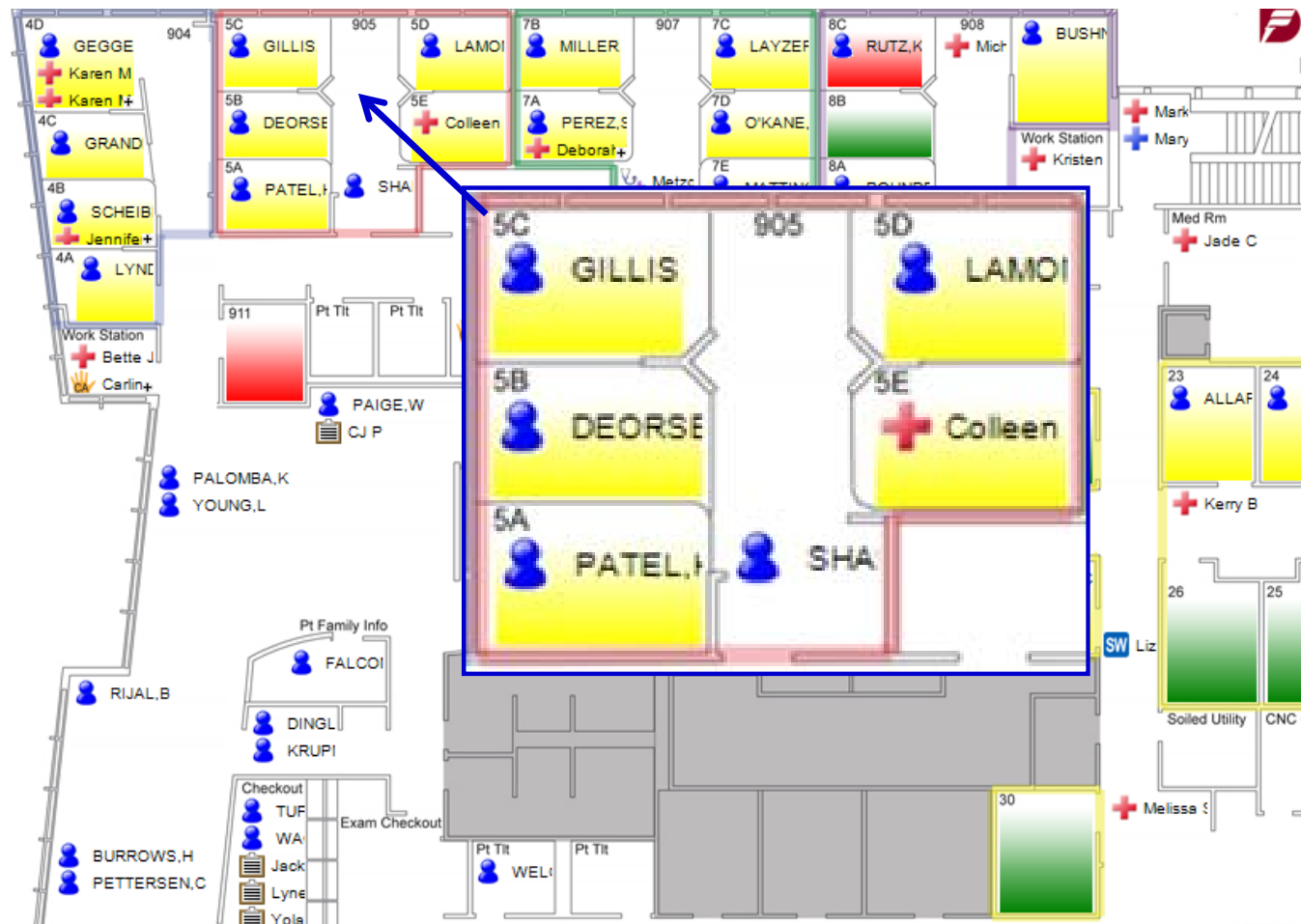


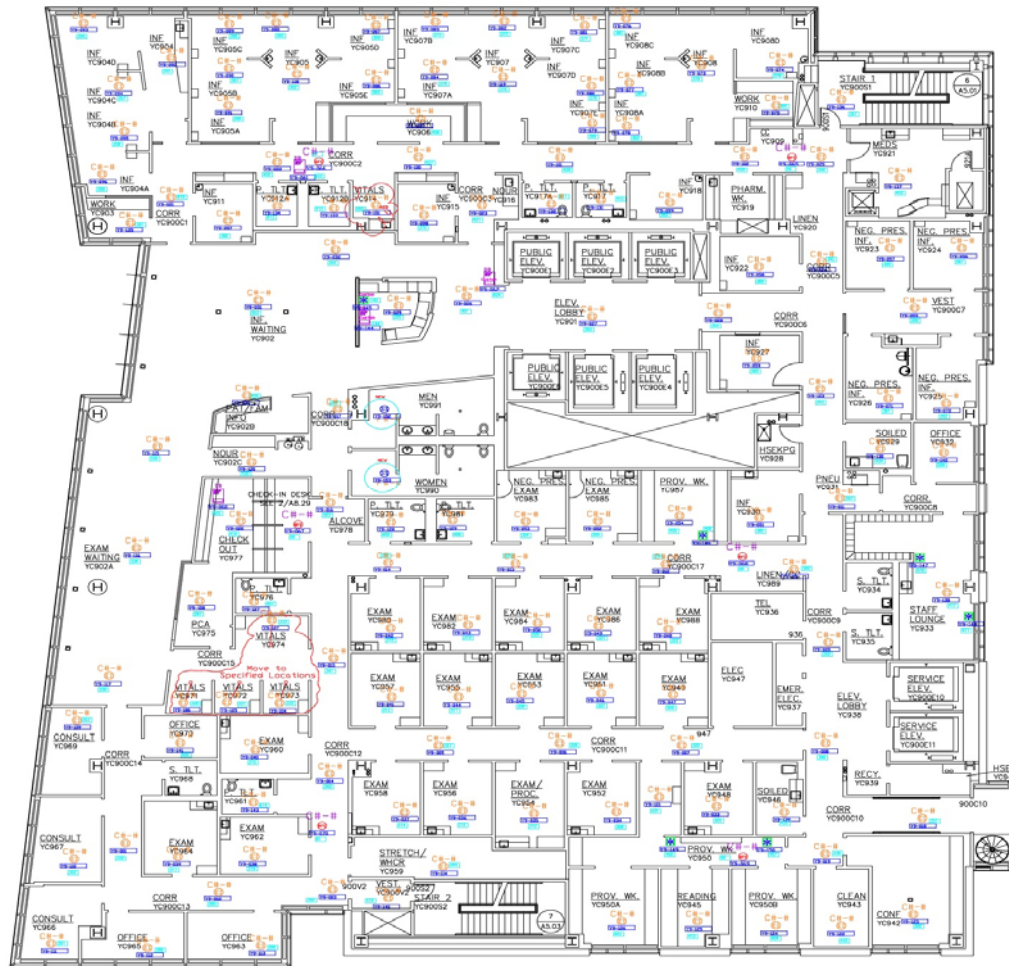
Closing the Data-Gap: Call-Centers & Hospitals

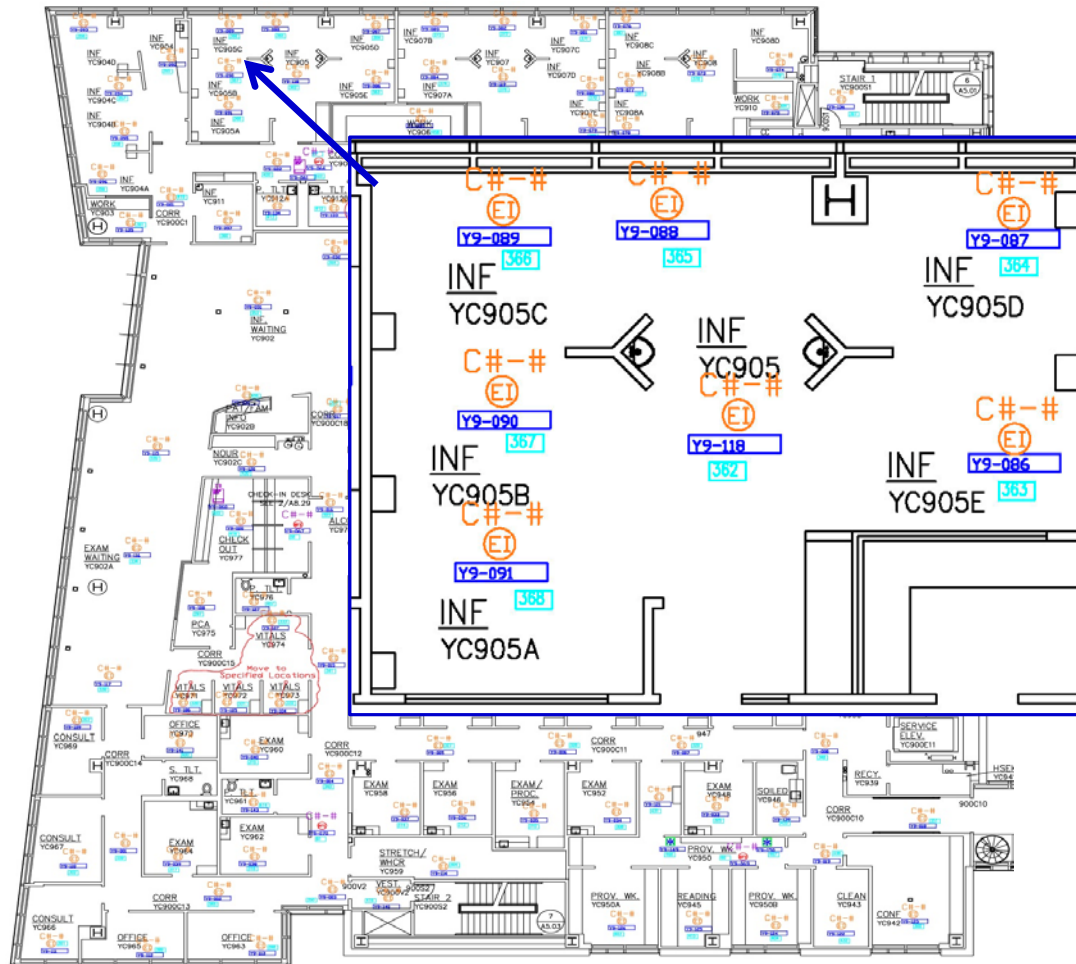
- **Large call center:**
 - o Thousands of agents
 - o Hundreds of thousands of calls per day
 - o **Automatically**, individual customers & agents (event log)
 - Operational
 - Financial, ...
- **Large hospital:**
 - o 1000+ Beds
 - o Thousands of nurses, hundreds of doctors
 - o Incomplete data (at best) ...



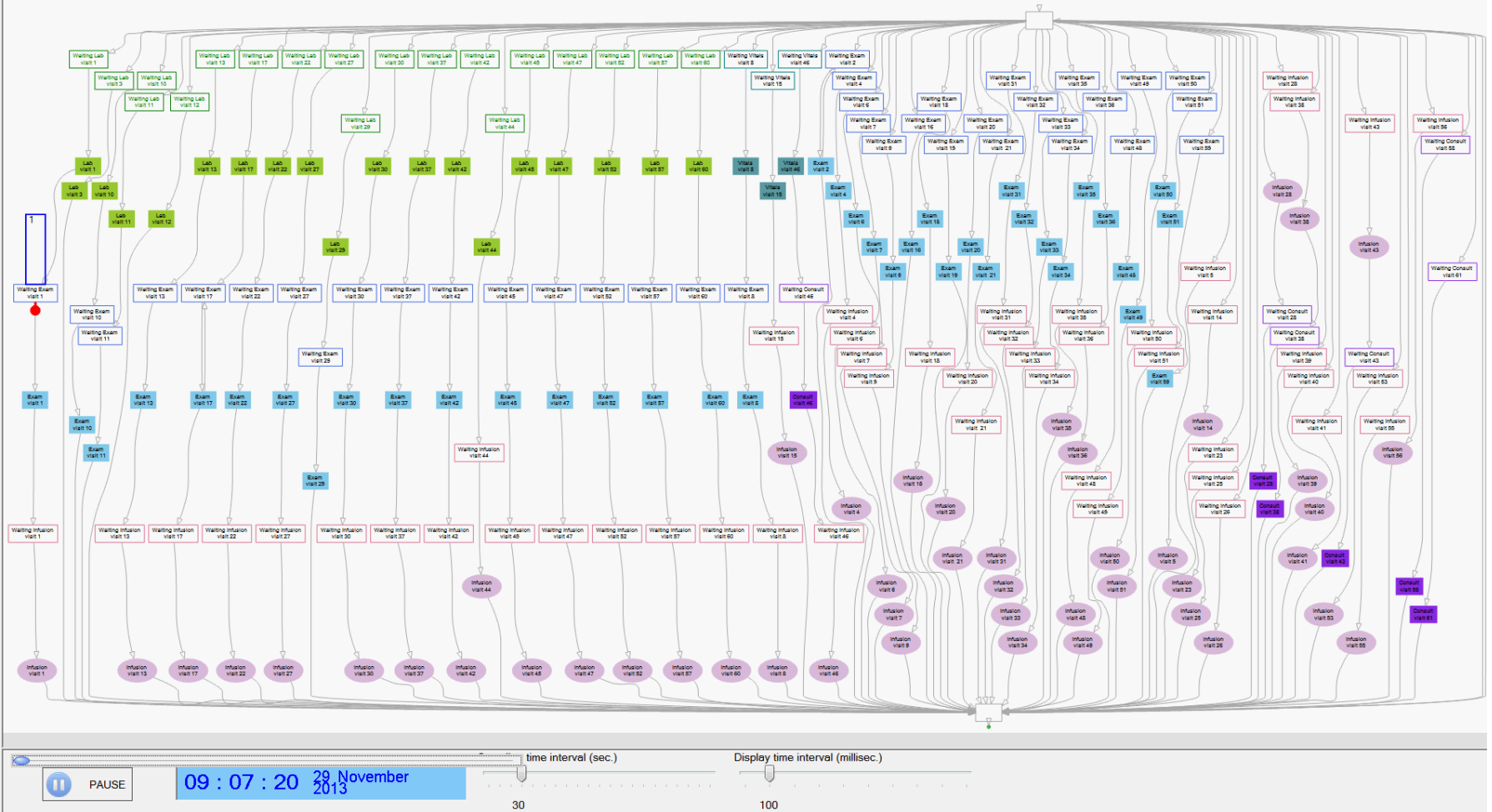




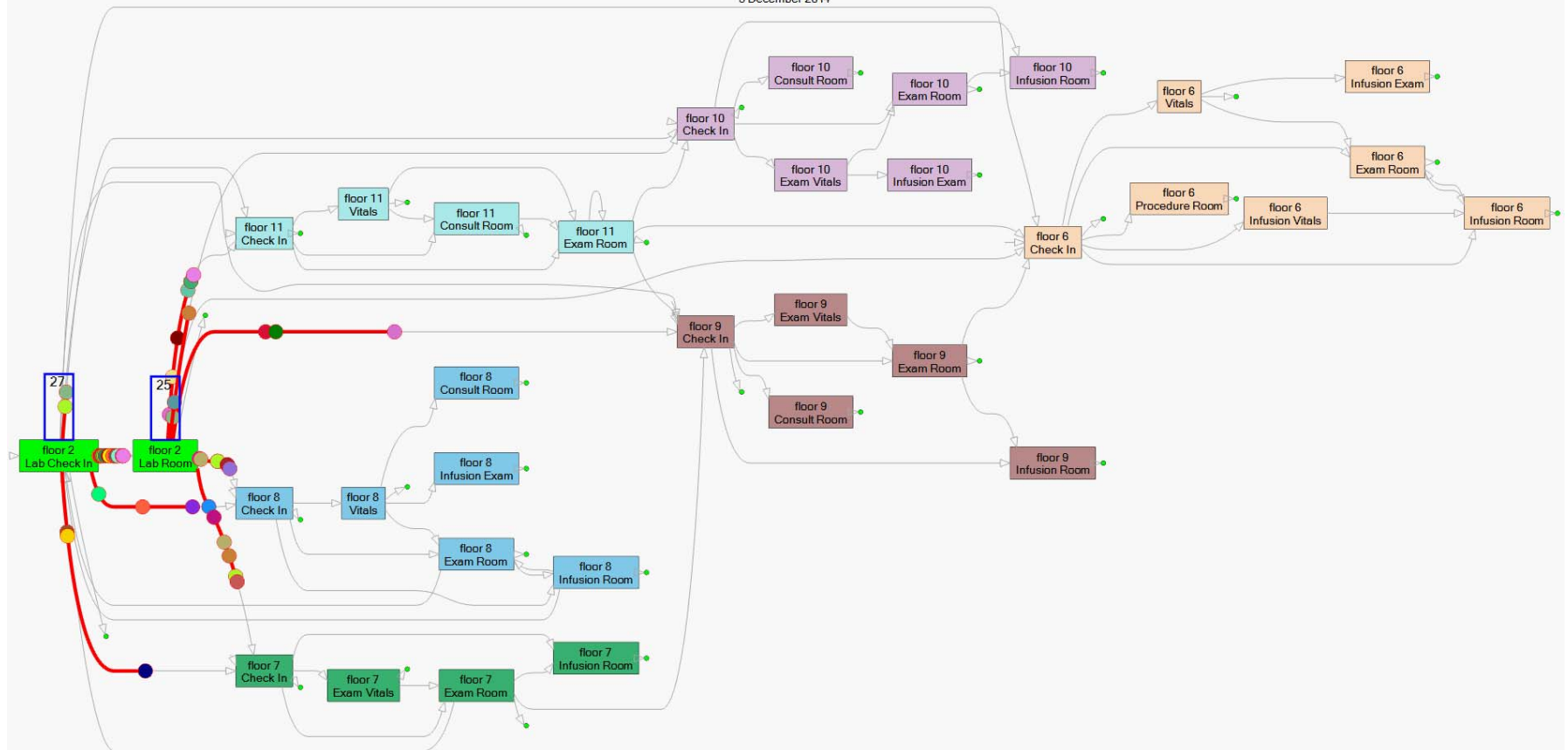


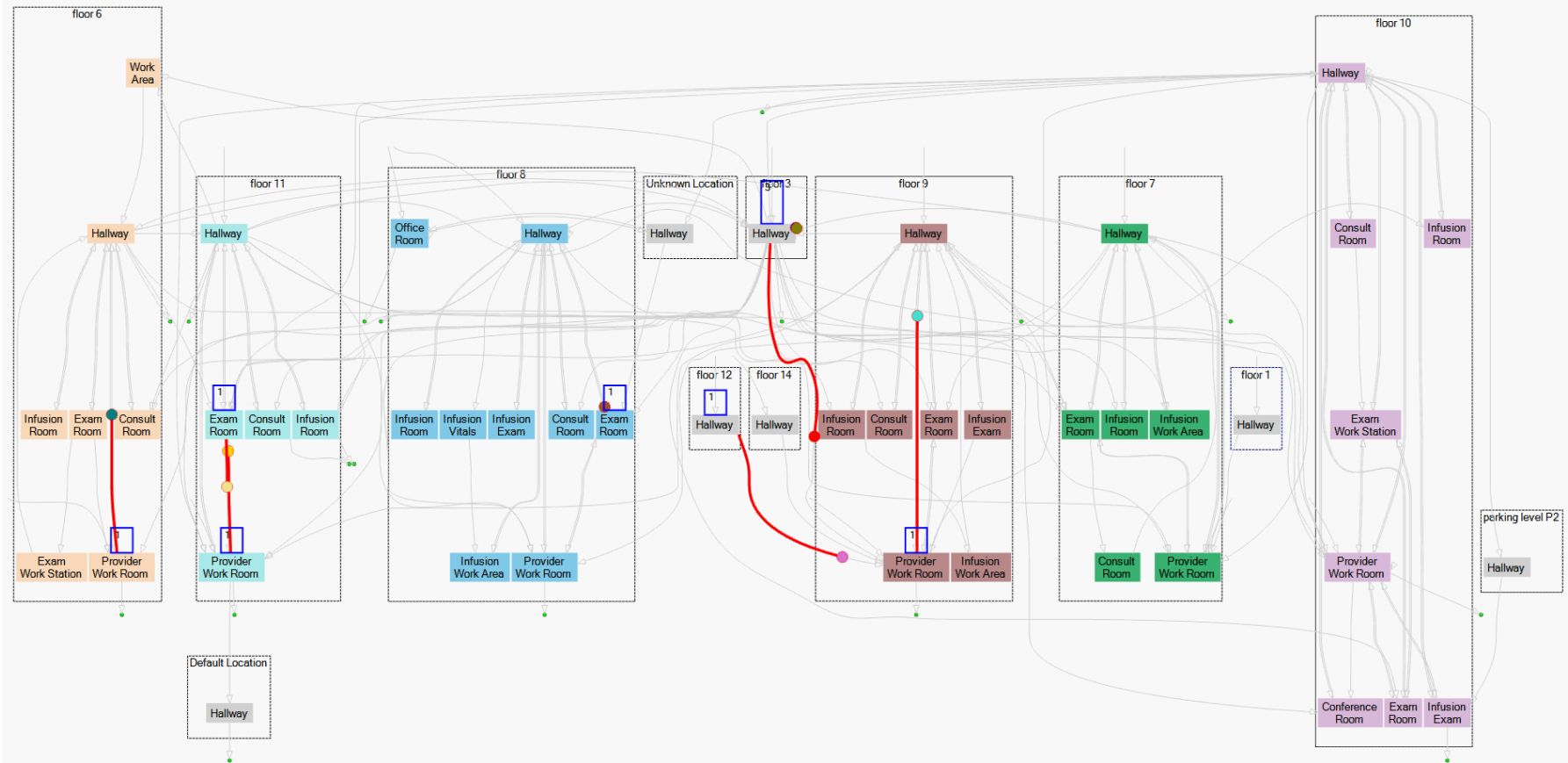


Single patient history: the study period November 2013-May 2014 (DayHospital)



Patients flow (by floors), Process Mining + Operations Research view (DayHospital)
3 December 2014

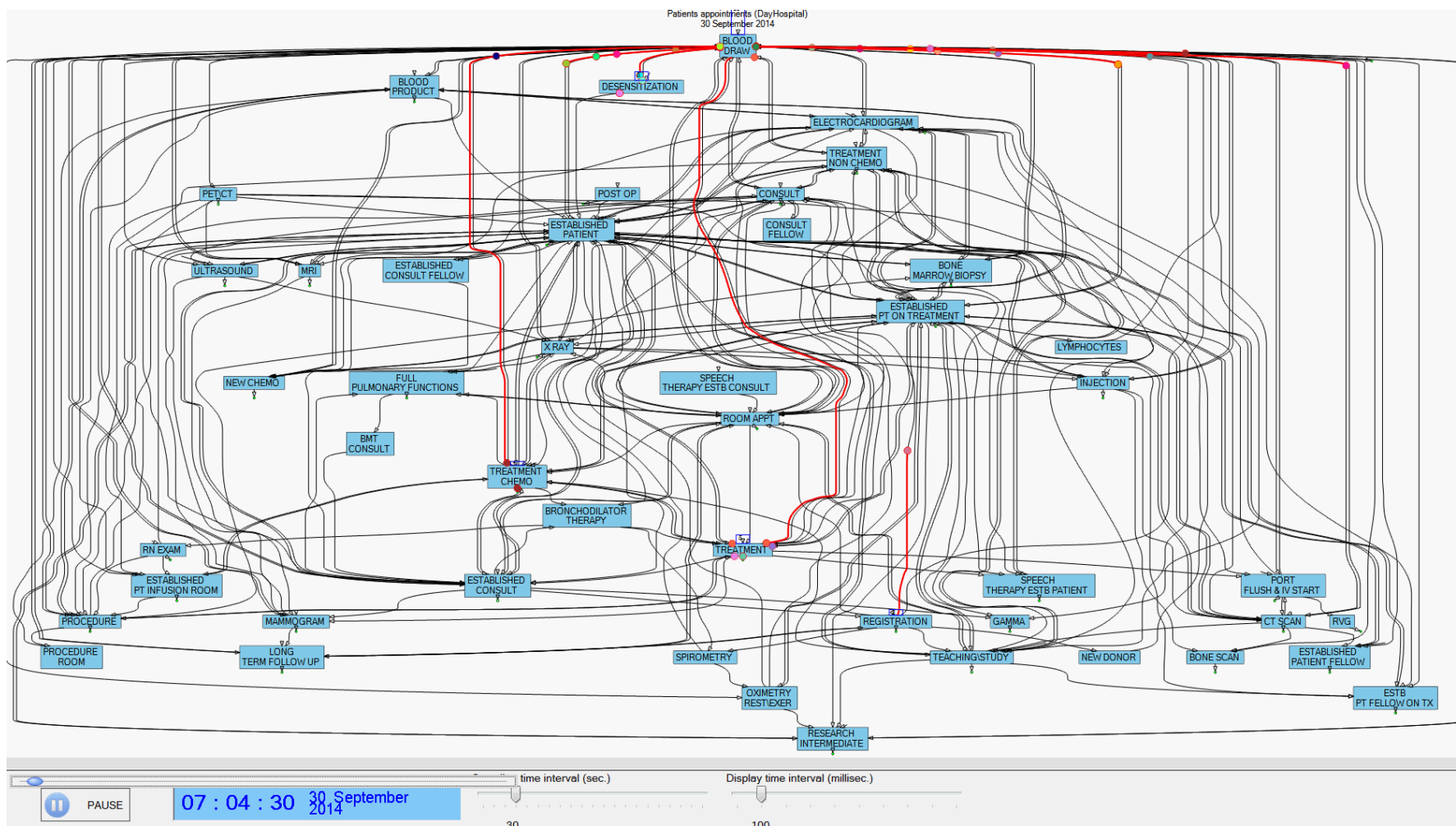




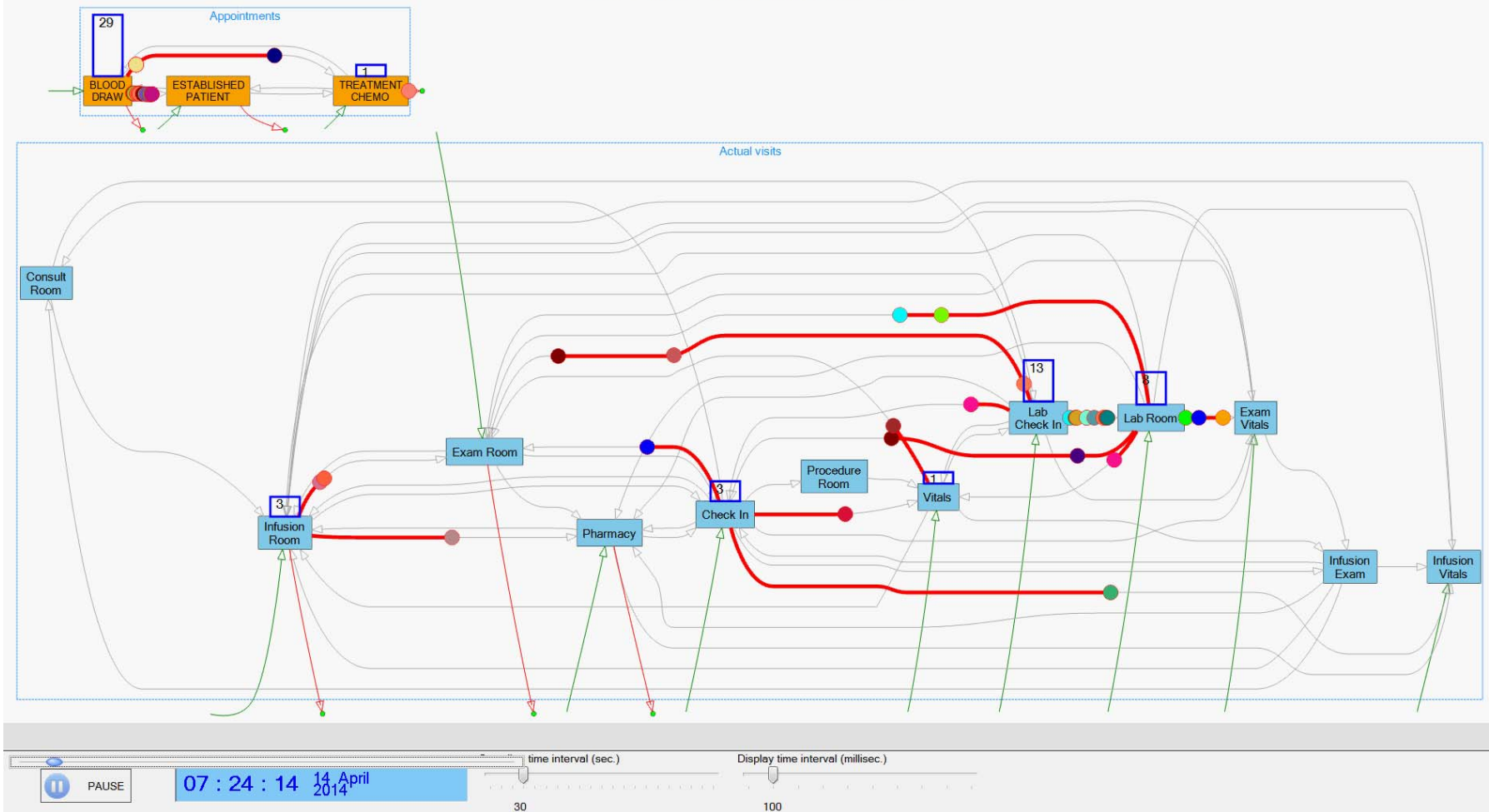
time interval (sec.) Display time interval (millisec.)

30 100

PAUSE 07 : 37 : 46 20 May 2014

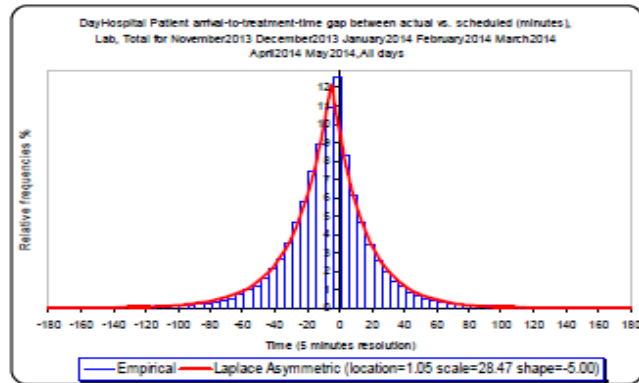


CHEMO appointments and actual visits (DayHospital)

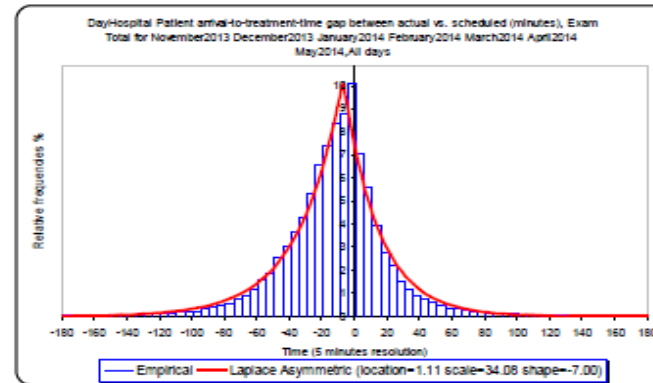


Statistical-Deviation of Planned vs. Actual

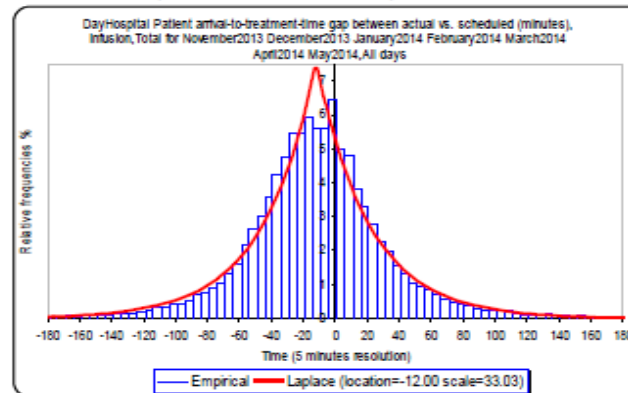
Lab (mean = -7 min)



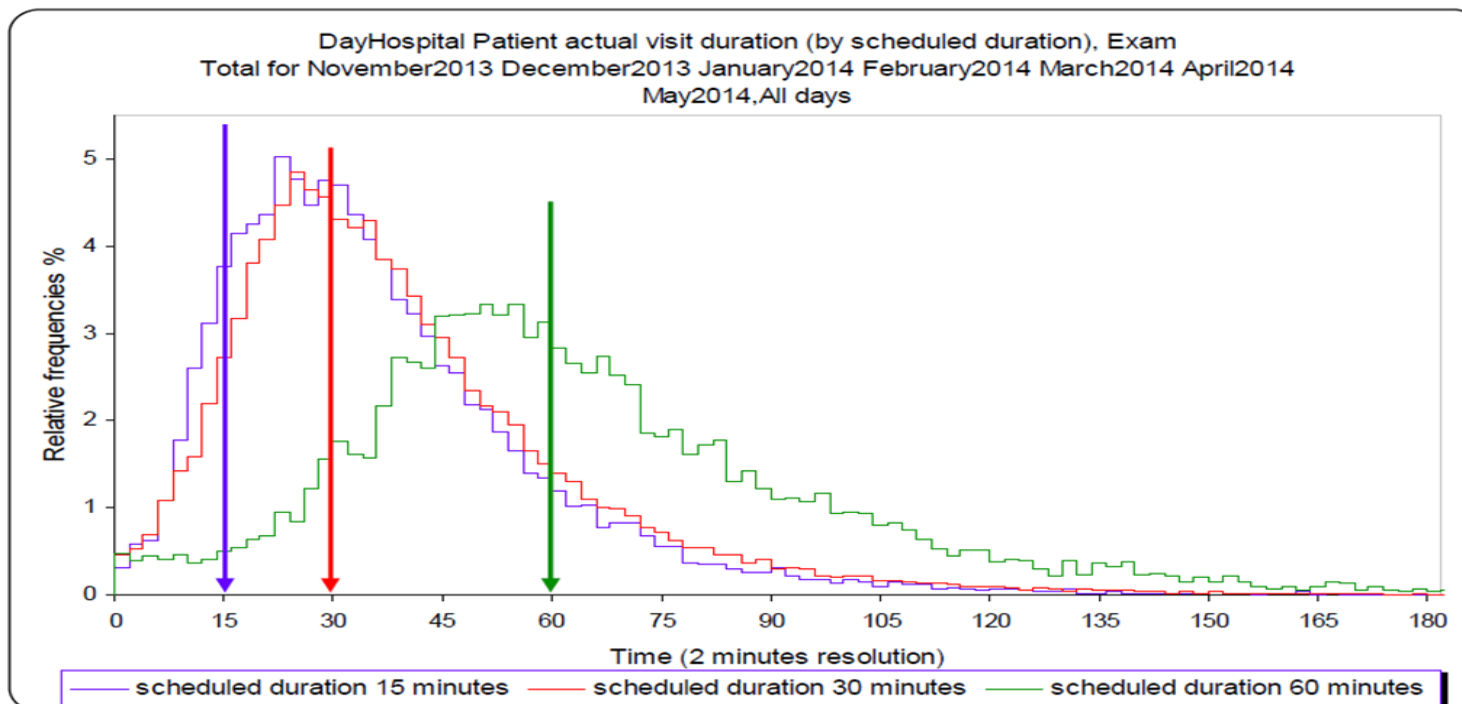
Exam (mean = -12 min)



Infusion (mean = -12 min)



Exam: actual duration for 15, 30 and 60 min scheduled-duration



DayHospital Patient actual visit duration (by scheduled duration), Exam, Total for November2013 December2013 January2014 February2014 March2014 April2014 May2014,All days			
	scheduled duration 15 minutes	scheduled duration 30 minutes	scheduled duration 60 minutes
N	17637	50898	9615
N(average per day)	145.76	420.64	79.46
Mean	35.98	39.2	65.49
Standard Deviation	23.39	25.03	34.64
Median	31	34	59
Minimum	1	1	1
Maximum	598	539	420

Applications in DFCI

Control: rooms status, physicians location, long wait times

Planning: number infusion chairs, load-balancing among floors

Management: evidence-based

Design vs. Performance: exam durations (no 15-minutes)

Motivating improvement: room for physician vs. room for patient



SEELab: Converging to the Vision

e.g. Specific Emergency-Department, with ample reliable data

- Real-time: data-based **control** of patient-flow (bottlenecks)
- Short-term: on Monday, set Tuesday's **staffing** levels (or next week's)
- Long-term: calculate real **cost** of care for individual patient (as opposed to insurance costs)
- Above, by online creation of data-based ED **model(s)** (empirical, simulation, mathematical)



