

# AI on a microbudget

Methods of machine learning miniaturization

Katharina Rasch & Christian Staudt

<https://github.com/ai-dojo/microbudget>

# About us



Christian Staudt

Freelance Data Scientist

<https://clstaudt.me>



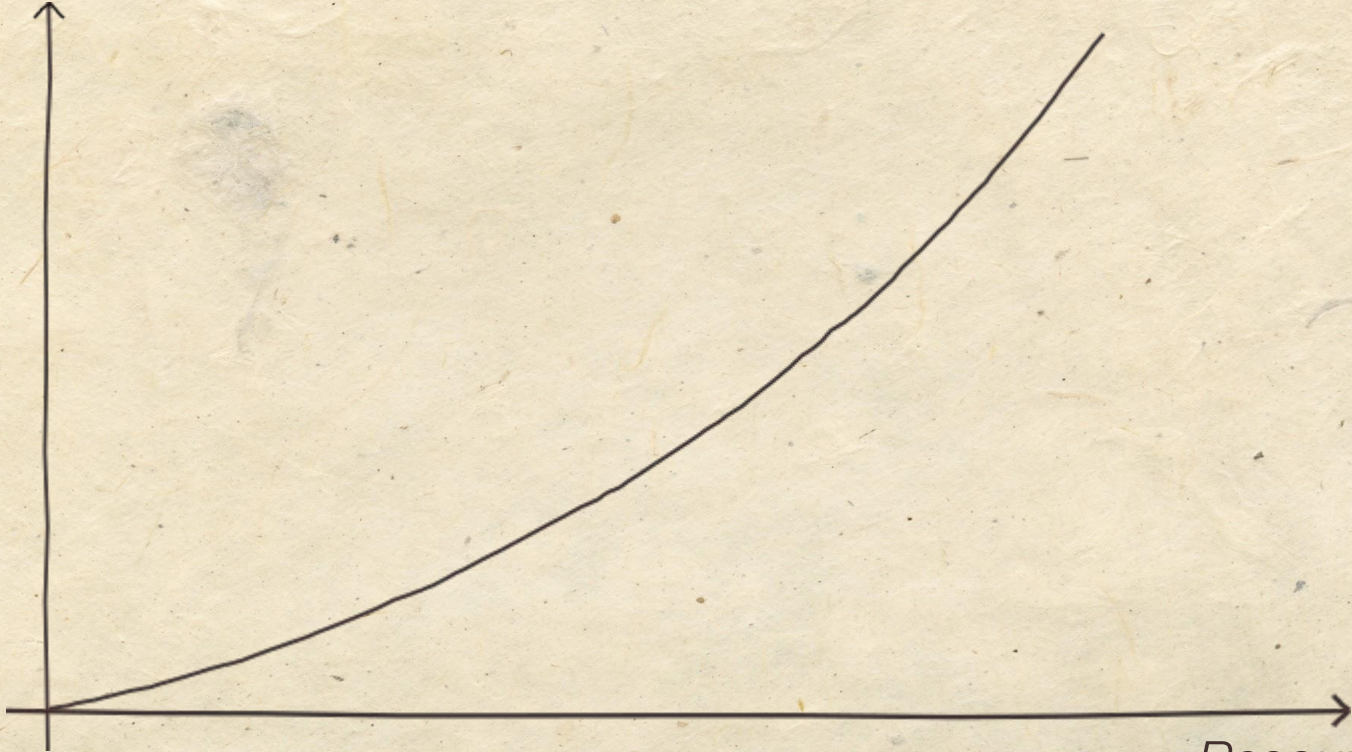
Katharina Rasch

Freelance Data Scientist

<https://krasch.io/>

# Scaling is all you need?

*Performance*



*Resources*

# Scaling is all you need?

Performance

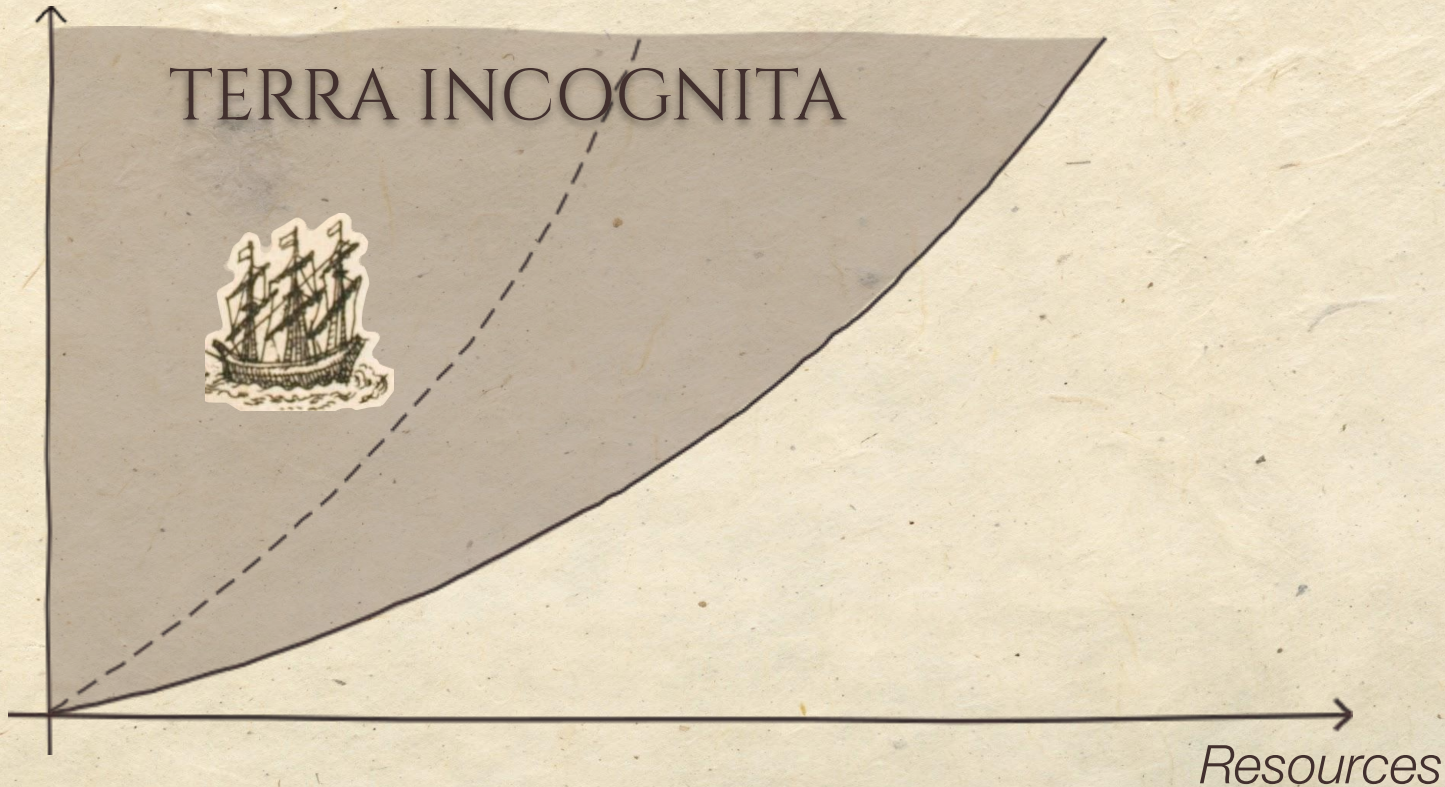


TERRA INCOGNITA

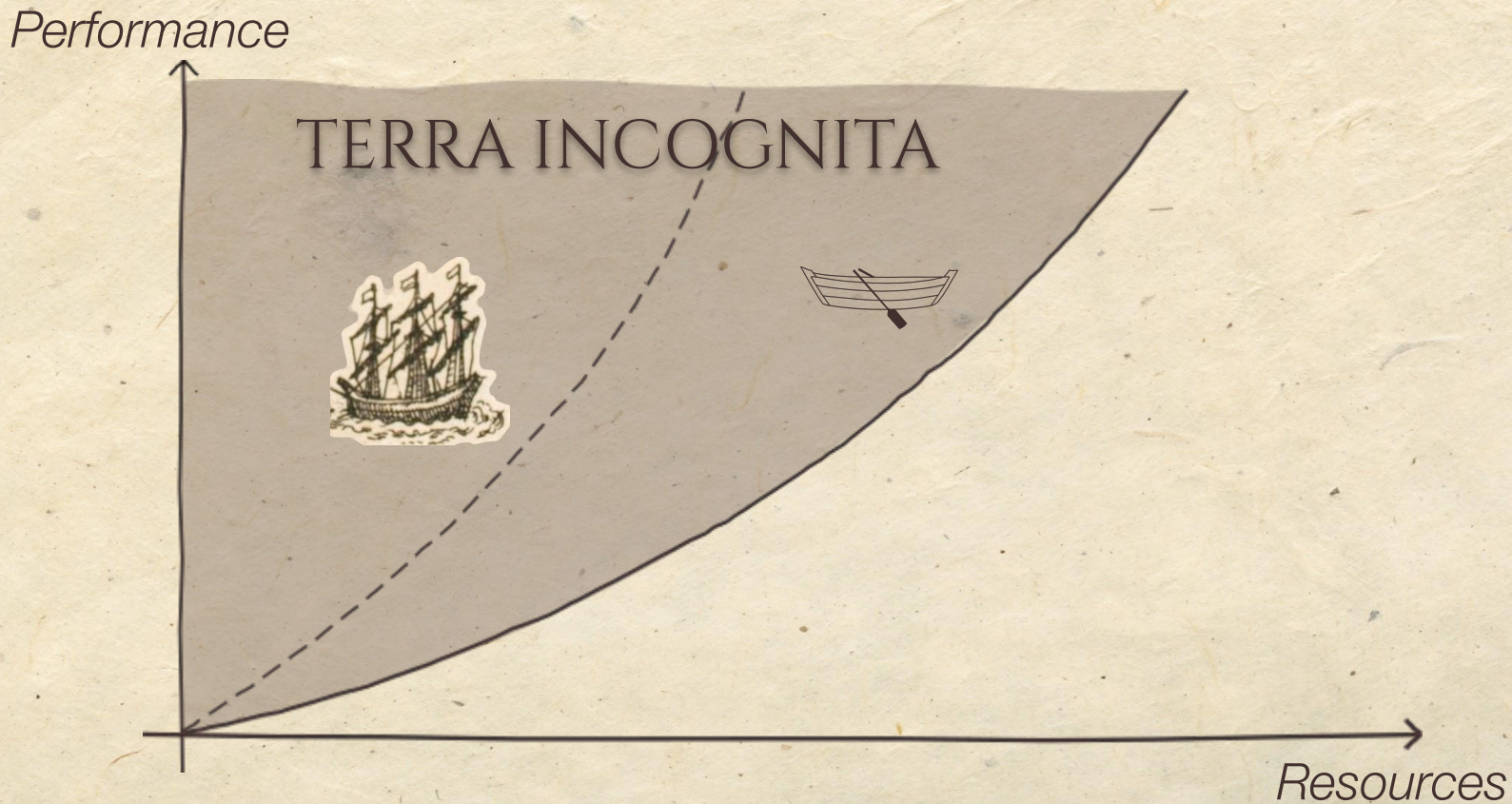
Resources

# Scaling is all you need?

Performance

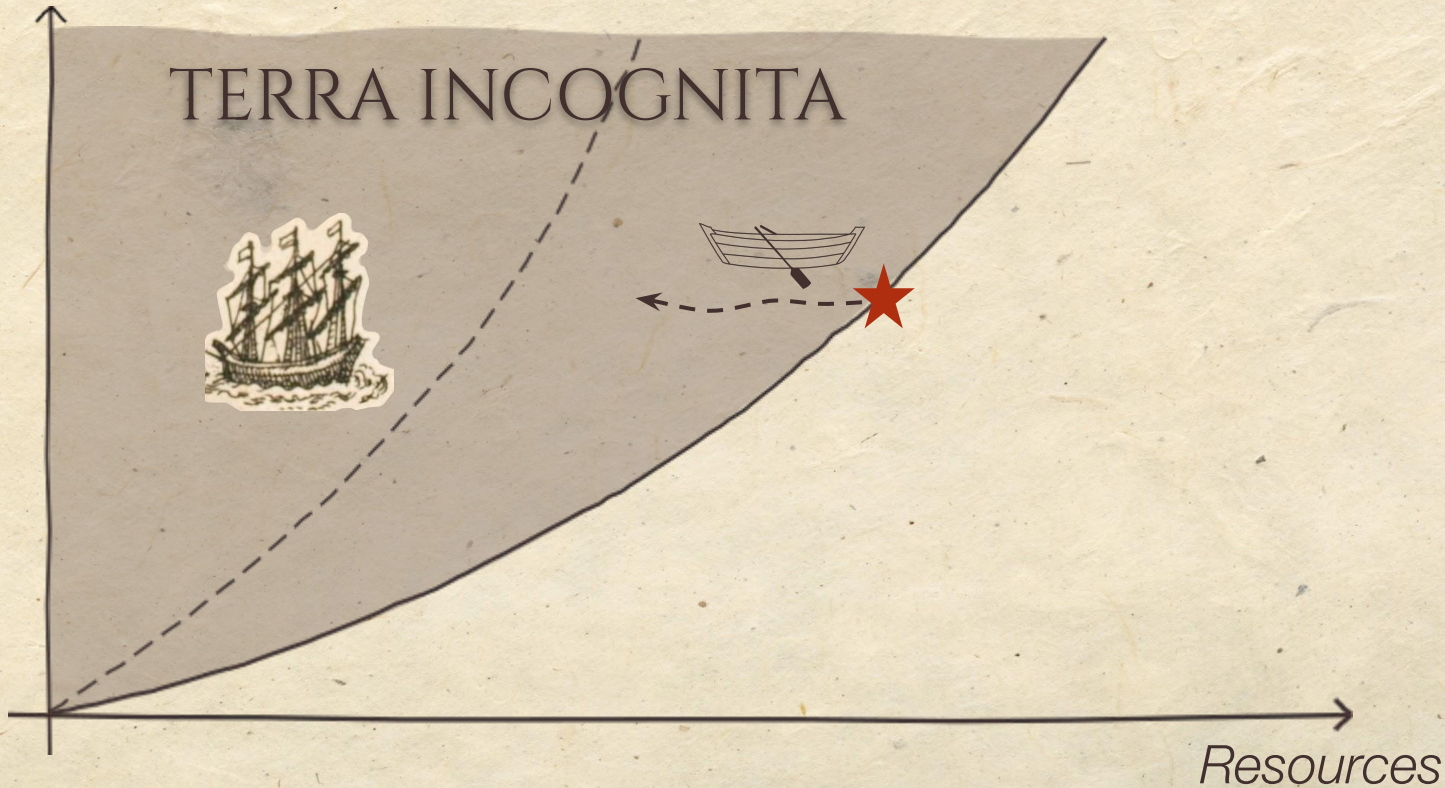


# Scaling is all you need?



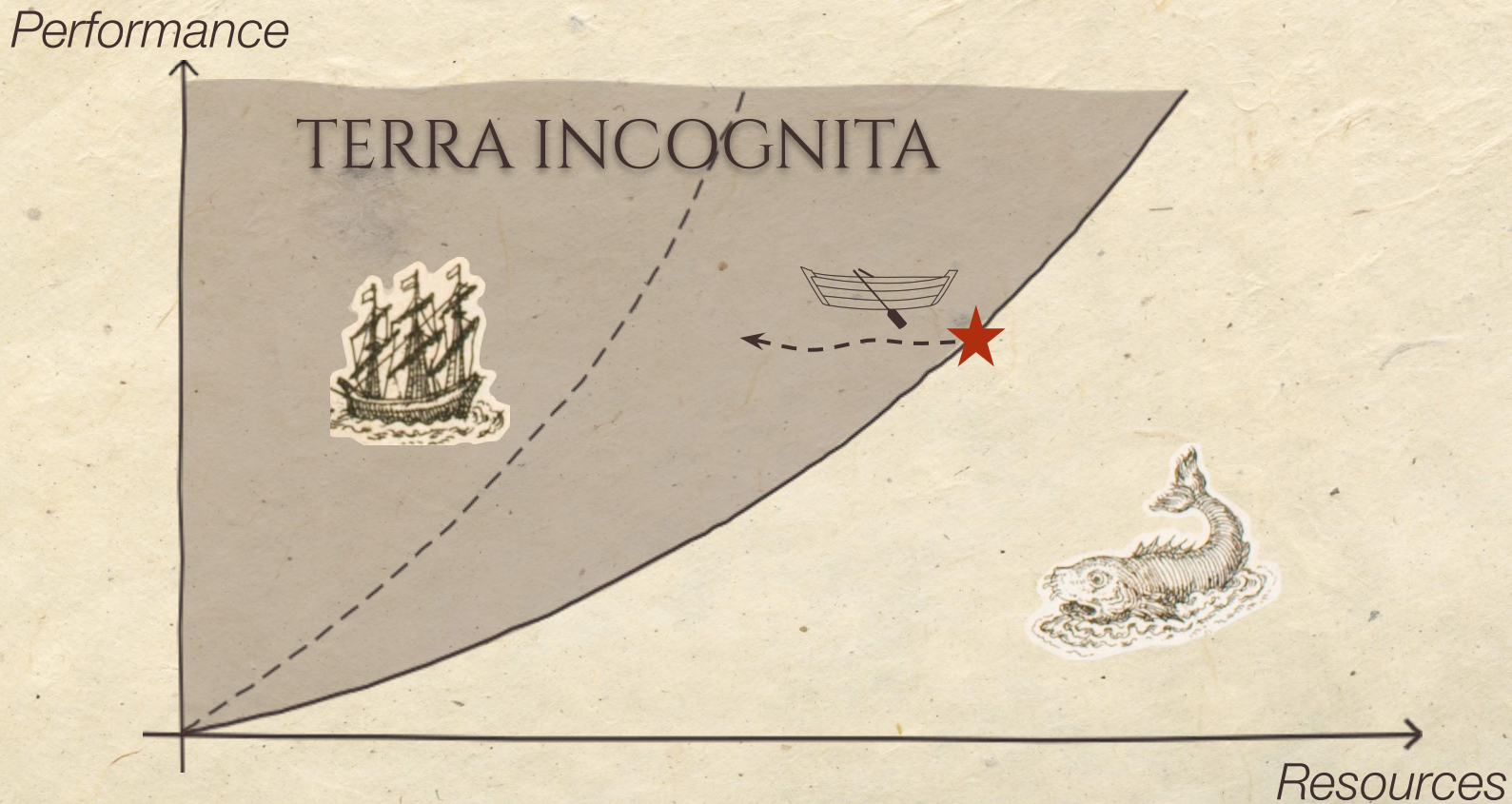
# Scaling is all you need?

Performance



Resources

# Scaling is all you need?

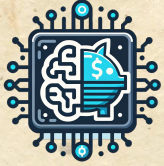







# Plan for today

- 3 microbudget methods for adapting existing pre-trained models to your needs:
  - Transfer learning
  - Distillation
  - Quantization
- Microbudget = small team, a few GPUs, small datasets

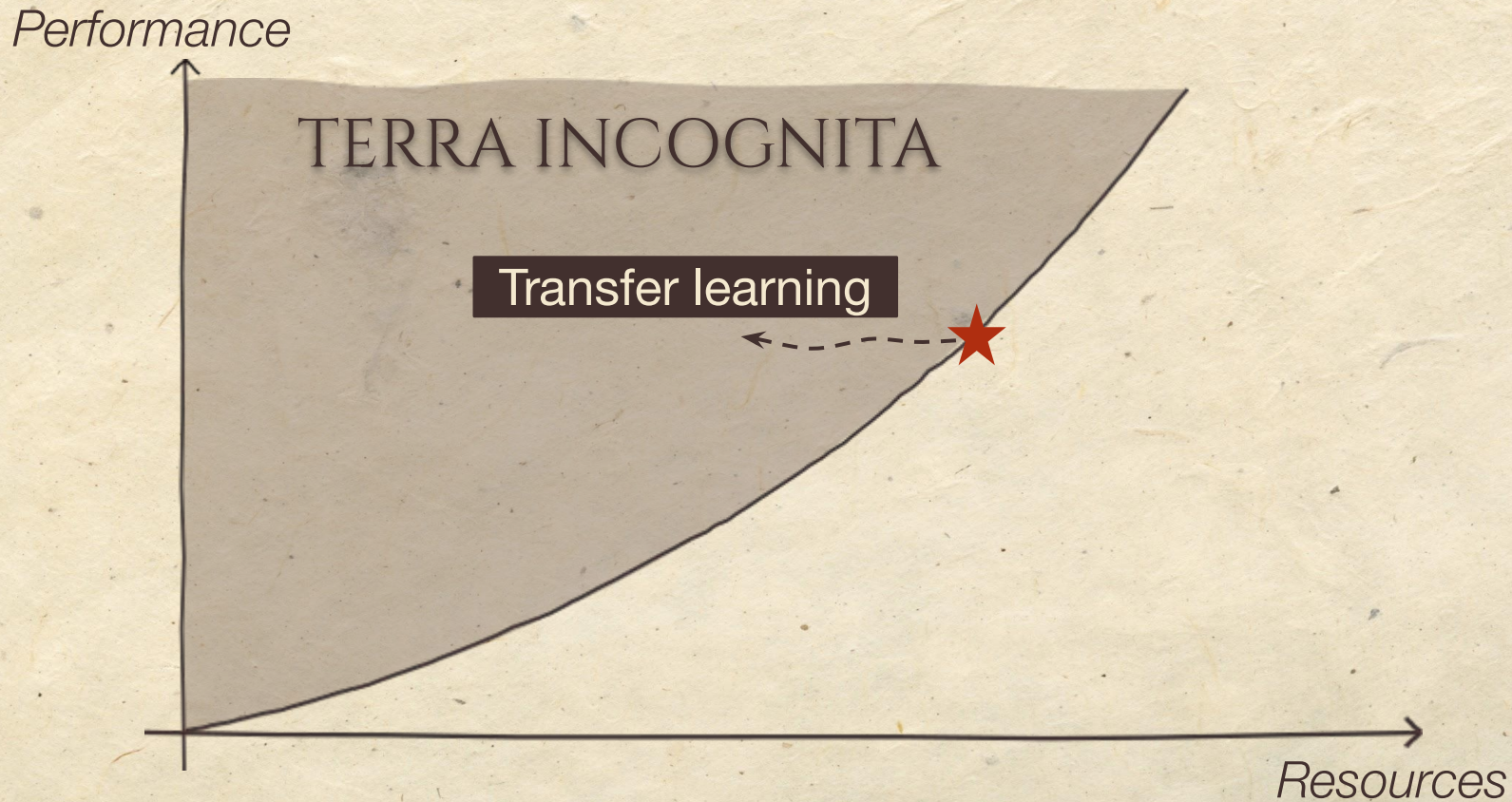
# Companion repository



<https://github.com/ai-dojo/microbudget>

- A collection of example notebooks for microbudget ML methods
  -  Transfer learning for building a custom Image Classifier
  -  Faster Speech Transcription through Model Distillation
  -  Running a Large Language Model with Different Levels of Quantization

# Method 1: Transfer learning





# Example from our companion repo

Label: water lily



Label: desert-rose



Label: gazania



Label: wild pansy



Label: oxeye daisy



- Task: Create a classifier for botanical images

*Oxford 102 Flowers dataset*

- ca. 8000 images
- ca. 500px height
- ca. 400 MB
- 102 classes

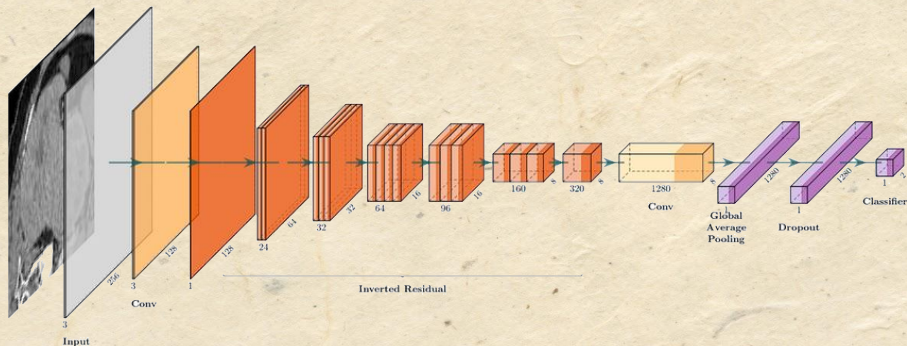
training computer vision  
model from scratch =  
straining our microbudget

# Example from our companion repo

reuse an existing image classifier?

e.g. *MobileNetV2*

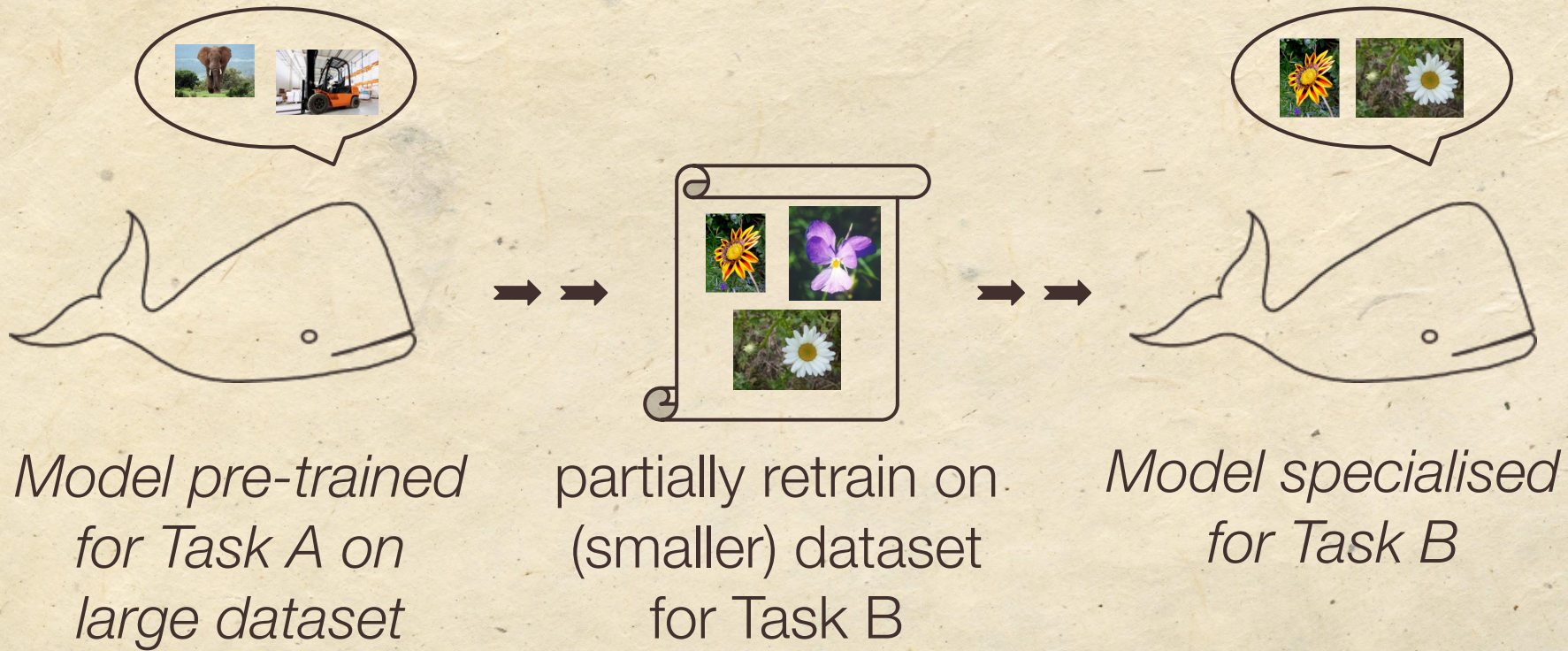
- deep CNN (53 layers)
- 3.4 M parameters
- good accuracy on ImageNet



*ImageNet dataset*

- 1.4 million images
- 1000 classes
- > 150 GB

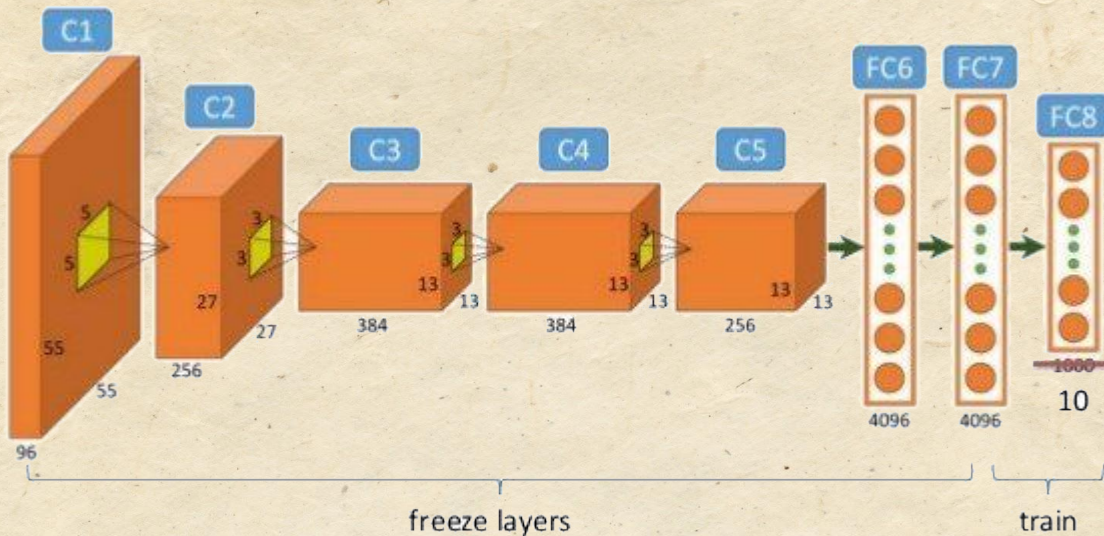
# Basic idea idea of transfer learning



# Example from our companion repo

reuse convolutional layers (incl. weights) =  
feature extraction capabilities

Image source: A Study  
Review: Semantic  
segmentation with Deep  
Neural Networks



adapt & retrain for new task



# Example from our companion repo

```
# Load MobileNetV2 without the top layer  
base_model = keras.applications.MobileNetV2(  
    input_shape=(224, 224, 3),  
    include_top=False,  
    weights="imagenet",  
)
```

[7]

✓ 0.3s

Python

```
# Create a new model on top of the output of the base model  
model = tf.keras.Sequential([  
    base_model,  
    tf.keras.layers.GlobalAveragePooling2D(),  
    tf.keras.layers.Dense(256, activation='relu'),  
    tf.keras.layers.Dropout(0.5),  
    tf.keras.layers.Dense(n_classes, activation='softmax')  
])
```

[15]

Python

Transfer learning  
has great library  
support





# Example from our companion repo

Predicted: barbeton daisy,  
True: barbeton daisy



Predicted: pincushion flower,  
True: pincushion flower



Predicted: foxglove,  
True: foxglove



a decent image classifier with minimal engineering & training

# Transfer Learning at a glance

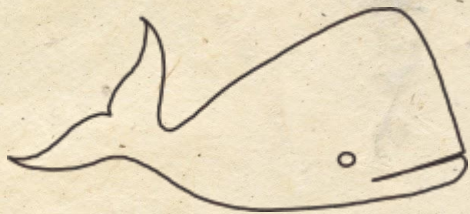
	Transfer learning
Model capability	different task
Model size / inference cost	same *
Training data and cost	less *
Development effort	simple

\* compared to original model

# Method 2: Distillation

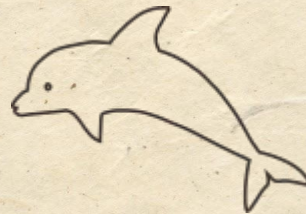


# Basic idea of model / knowledge distillation



*Large pre-trained  
teacher model*

Large model teaches  
small model



*Small student  
model*

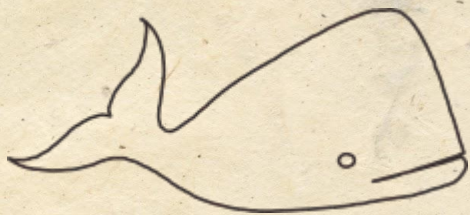
# Real-world example: Whisper → Distil-Whisper



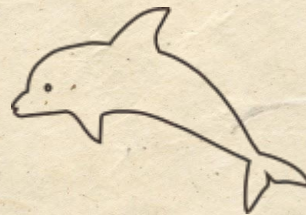
*trained on 680,000 hours of audio and transcripts*

*1.55 Billion parameters (for large model)*

# Real-world example: Whisper → Distil-Whisper

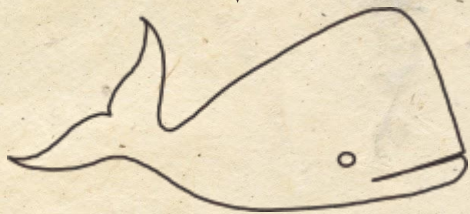


*OpenAI  
Whisper*



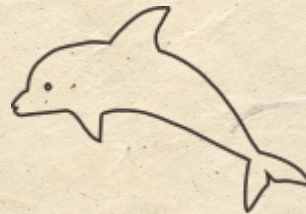
*HuggingFace  
Distil-Whisper*

# Real-world example: Whisper → Distil-Whisper



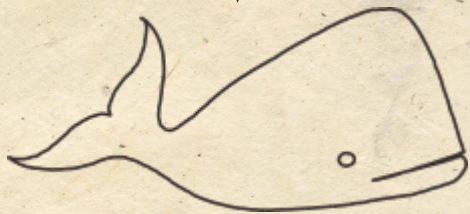
*OpenAI  
Whisper*

“Look, penguins!”



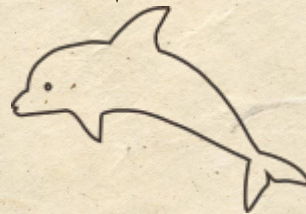
*HuggingFace  
Distil-Whisper*

# Real-world example: Whisper → Distil-Whisper



*OpenAI  
Whisper*

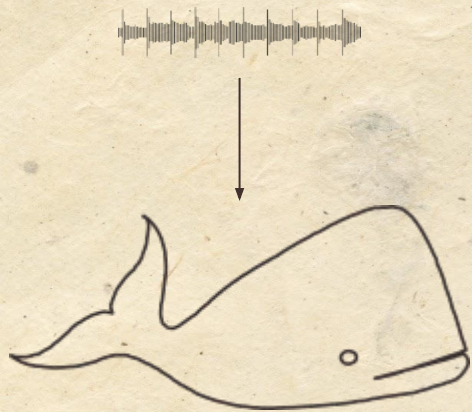
“Look, penguins!”



*HuggingFace  
Distil-Whisper*

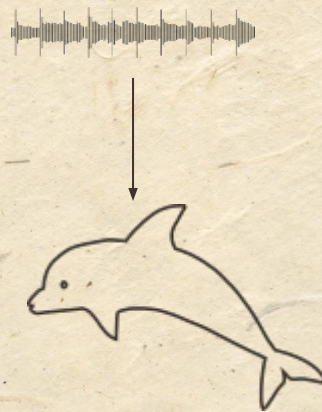
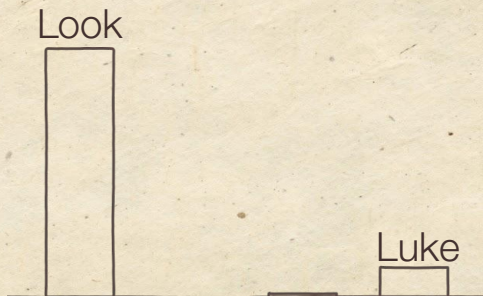


# Real-world example: Whisper → Distil-Whisper



*OpenAI  
Whisper*

“Look, penguins!”



*HuggingFace  
Distil-Whisper*

# Benefits of distillation

- Less annotated training data needed
- Without distillation, might not be able to train capable small model from scratch, even with full dataset →

why?

# Our training regime is quite harsh



*We train our models  
with hard labels*

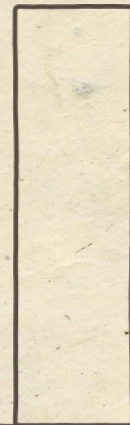


*And punish them if they  
produce soft predictions*

# Our training regime is quite harsh

Large models  
can learn despite  
this harshness

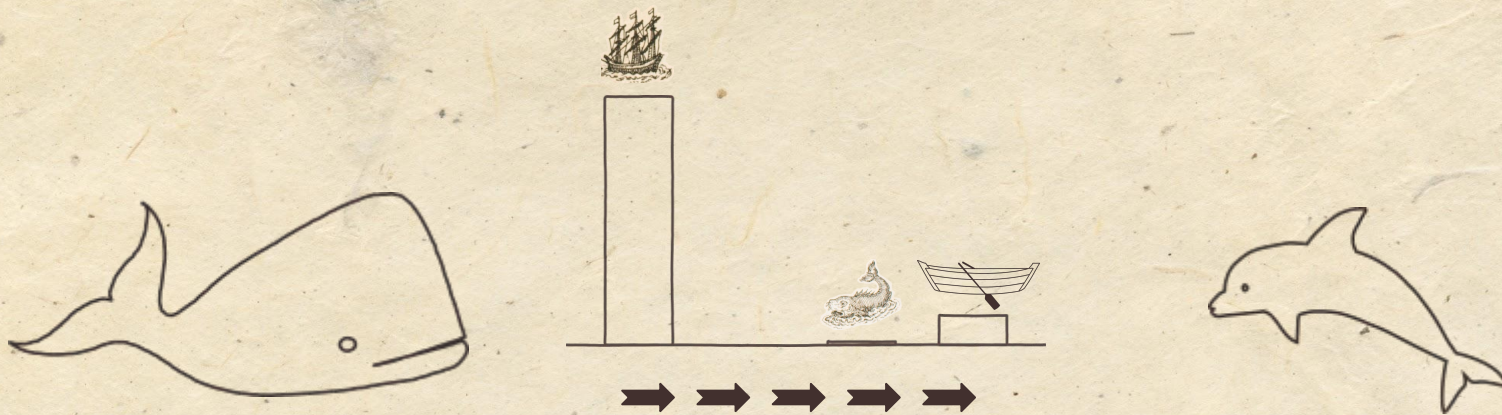
Small models  
have trouble



*We train our models  
with hard labels*

*And punish them if they  
produce soft predictions*

# Distillation creates a more friendly learning environment



# Real-world example: Whisper → Distil-Whisper

Distil-Whisper ends up being

- 6 times faster
- 50% smaller
- within 1% word error rate (WER) of original model

distillation cost? → trained on 14kh of audio instead of 680kh = ca.  
2% of original

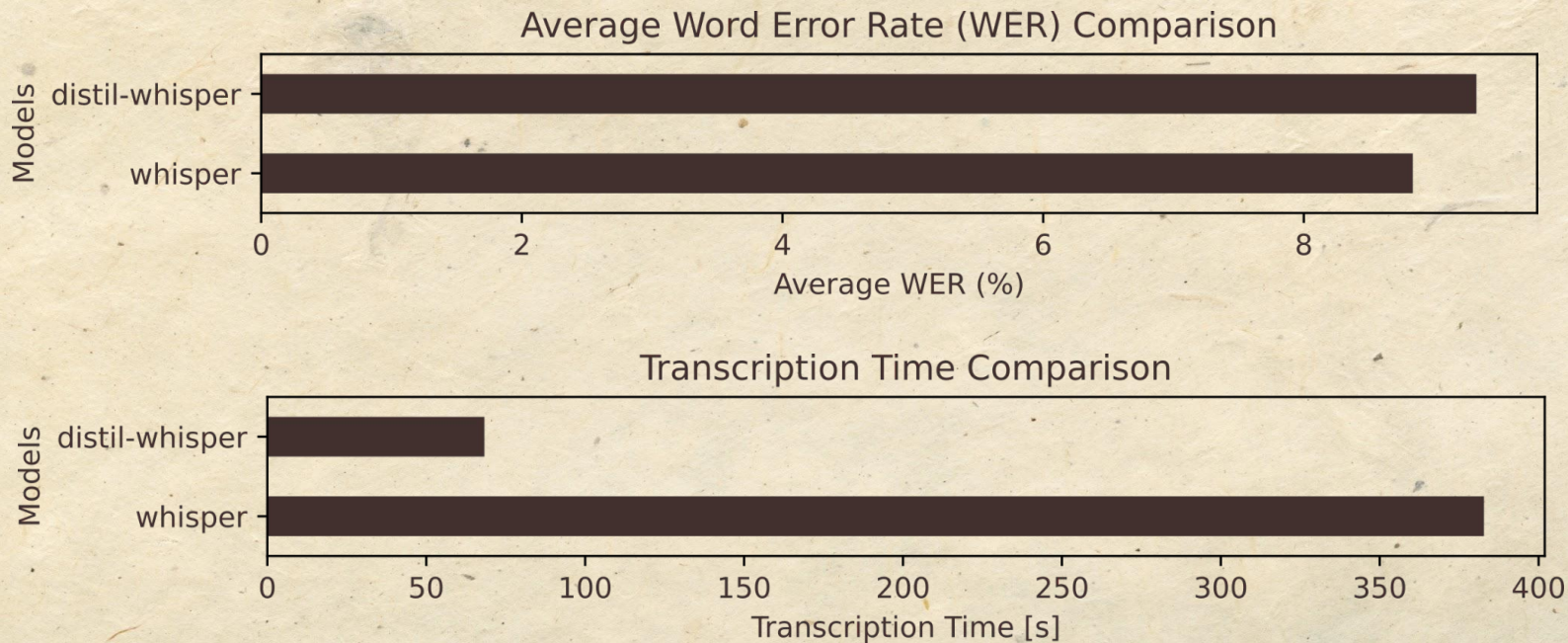
Drop-in  
replacement!\*

\*for English



# Example from our companion repo

Transcribe with whisper or distil-whisper: see (and hear) for yourself



Medium-size model run on CPU, for 32 librivox audio samples

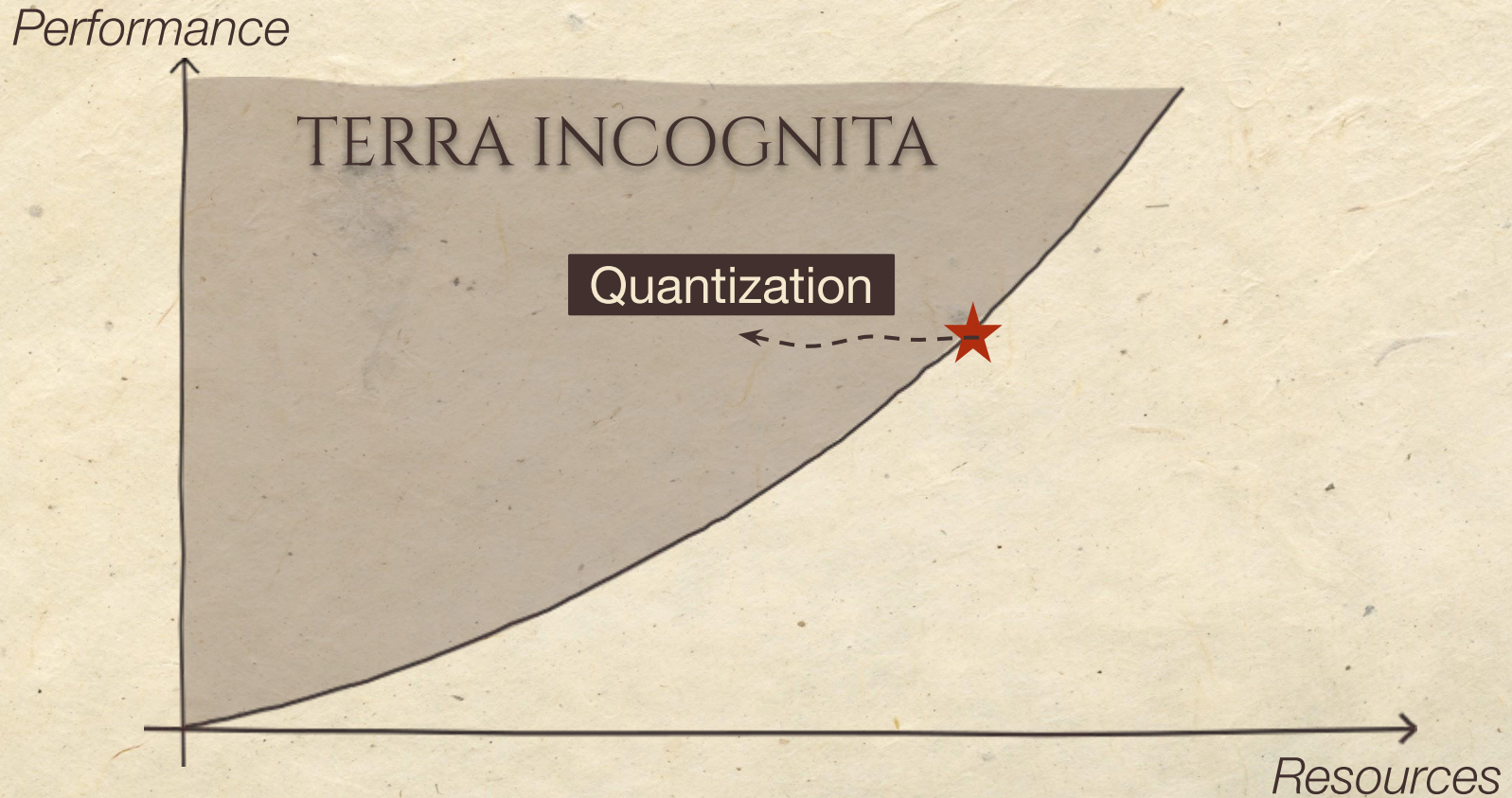
# Distillation at a glance

	Transfer learning	Distillation
Model capability	different task	potentially same *
Model size / inference cost	same *	much smaller *
Training data and cost	less *	less *
Development effort	simple	complex

\* compared to original model

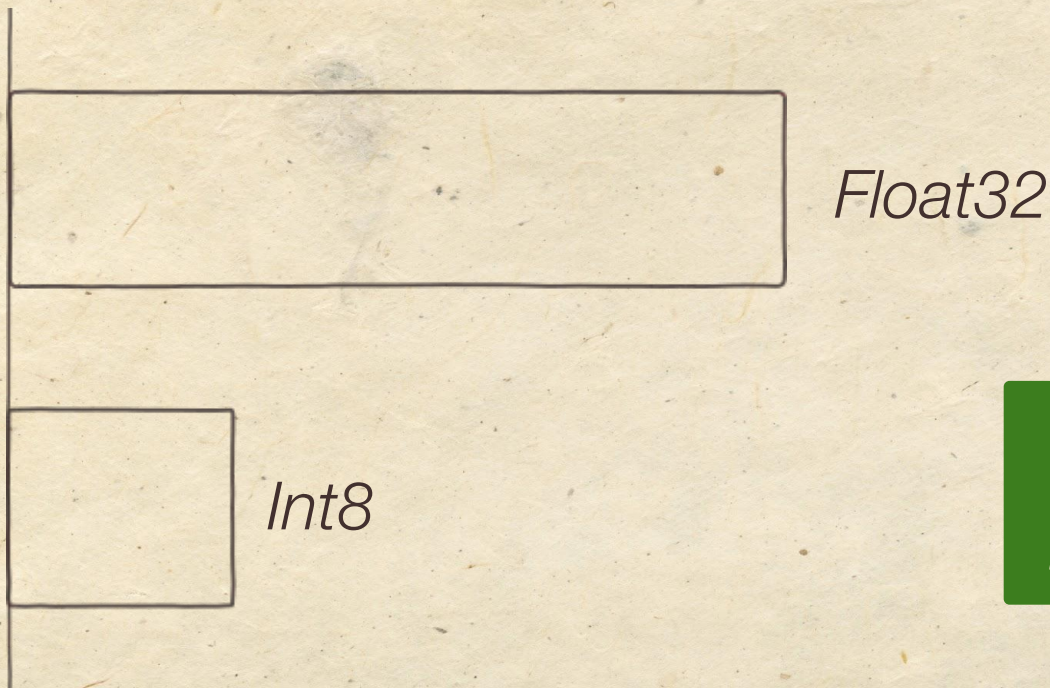


# Method 3: Quantization



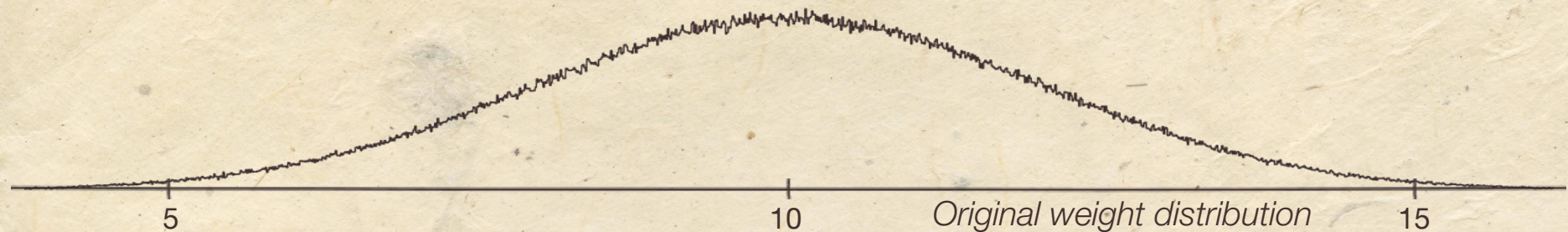
# Basic idea of quantization

Do we need full precision weights to represent a model's knowledge?

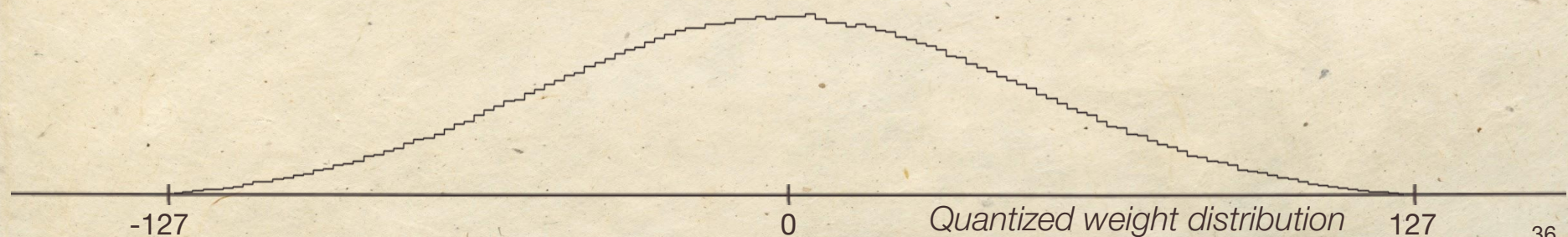
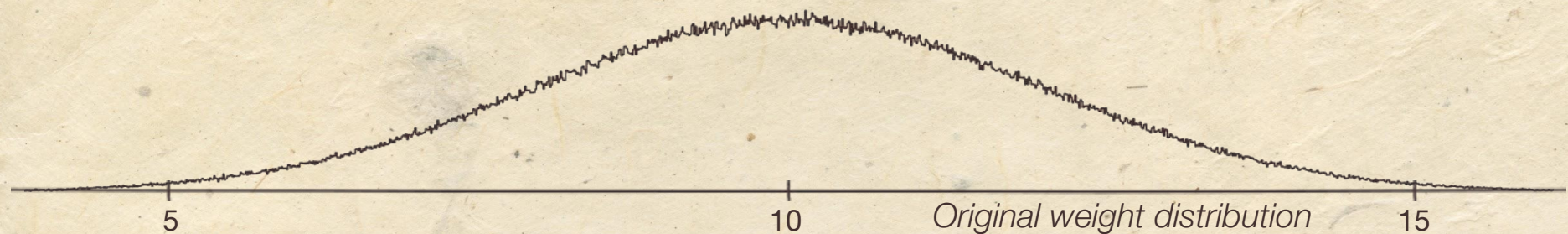


4x smaller  
2-4x faster

# How to compress Float32 into Int8?

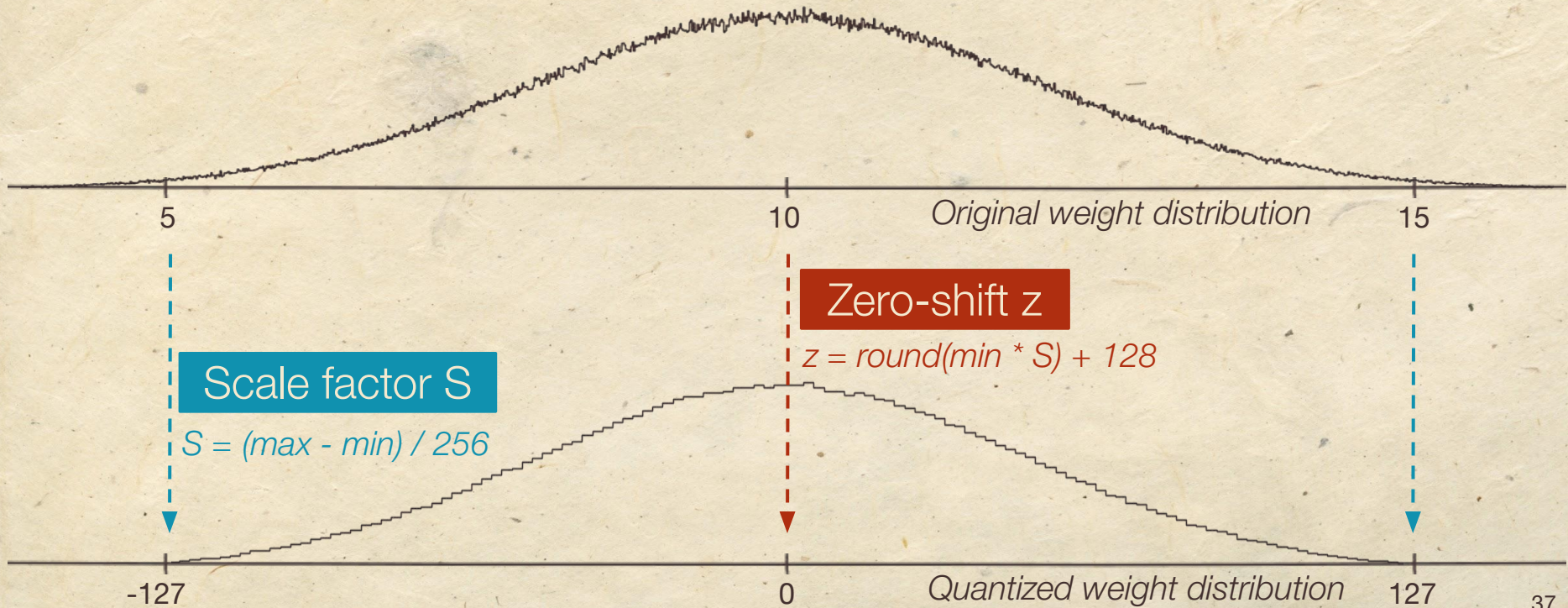


# How to compress Float32 into Int8?



# How to compress Float32 into Int8?

$$\text{quantized} = \left\lfloor S^{-1} * (\text{original} + z) \right\rfloor$$



# Post-training quantization of weights

For each layer / channel / etc

1. Analyze weight distribution and calculate  $S$  and  $z$
2. Apply quantization formula and store quantized weights

→ 4 x smaller weights

What happens during  
computation?

# Post-training quantization of activations

For each layer / channel / etc

1. Run forward pass with a few samples
2. Analyze activation distribution and calculate  $S$  and  $z$

→ 2-4 x faster inference

# Can we go even smaller with quantization?

- yes, 6-bit, 4-bit or even 2-bit quantization are common
- sacrificing capabilities?
  - hard to predict, models vary in their sensitivity
  - capability loss needs to be evaluated experimentally
  - see the model card for recommended variants

→ up to 16x smaller model files


potentially significant  
quality loss



## Example from our companion repo

- run “Large” Language Model on your local machine with Ollama
- get different levels of quantization from 🙌
- test and observe (loss of?) capability

```
▶ ▾  
for qtype, model_path in quantized_model_paths.items():  
    ollama_model_name = f"{model_name}:{qtype}"  
    print(f"Creating Ollama model {ollama_model_name}")  
    response = ollama.create(  
        model=ollama_model_name,  
        modelfile=make_model_file(model_path)  
    )  
    print(response["status"])  
  
[11] ✓ 13.3s Python  
... Creating Ollama model rocket-3B-GGUF:Q8_0  
success  
Creating Ollama model rocket-3B-GGUF:Q4_K_M  
success  
Creating Ollama model rocket-3B-GGUF:Q2_K  
success
```



# The open LLM ecosystem thrives on quantization

- quantization enables
  - medium-sized models on modest hardware (e.g. 15B parameters in 9 GB of RAM)
  - online distribution
- many models in **Ollama** catalog are quantized by default

# Quantization at a glance

	Transfer learning	Distillation	Quantization
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# Microbudget methods at a glance

	Transfer learning	Distillation	Quantization
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**BACKUP**

# Forward-pass with a quantized model

Our normal float32 forward pass looks like this:

$$y = w \cdot x + b$$

Let's plug in our quantization mapping ( $\hat{\cdot}$  = quantized):

$$S_y * \hat{y} - z_y = (S_w * \hat{w} - z_w) \cdot (S_x * \hat{x} - z_x)$$

Thanks to the rules of matrix multiplication  $\cdot$ , we get:

$$\hat{y} = z_y + (S_w * S_x / S_y) * ((\hat{w} - z_w) \cdot (\hat{x} - z_x))$$

*float32 scalar multiplication*

*int8 matrix multiplication*