Next-Generation Predictive Modeling with Machine Learning: Advancing Cross-Industry Intelligence through Federated, Adaptive and Interpretable Systems

S. Prabagar[1], Deepika Pradeep Patil[2], S. Rajeswari[3], M. Jeevaa[4], R. Vishalakshi[5] and Akilan S.[6]

[1]*Department of Computer Science and Engineering, COE in IoT, Alliance School of Advanced Computing, Alliance University, Karnataka, India*

[2]*Department of Electronics and Computer Science Engineering, Shah and Anchor Kutchhi Engineering College, Chembur East, Mumbai, Maharashtra, India*

[3]*Department of Information Technology, J.J. College of Engineering and Technology, Tiruchirappalli, Tamil Nadu, India*

[4]*School of Computing and Information Technology, REVA University, Bangalore, India*

[5]*Department of Computer Science and Engineering (Data Science), Vardhaman College of Engineering, Shamshabad, Hyderabad, Telangana, India*

[6]*Department of MCA, New Prince Shri Bhavani College of Engineering and Technology, Chennai, Tamil Nadu, India*

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Abstract: The rise of machine learning has rapidly changed predictive modeling in any industrial sector, where systems have transformed from being data-driven to adaptive, safe and interpretable. The present work investigates, how the benefits of emerging machine learning frameworks such as federated learning, ensemble strategies, and transfer learning – can be combined to address limitations that exist with regards to scalability, bias, and real-time capabilities. By reviewing healthcare diagnosis, financial fraud detection, environmental prediction and industry 4.0 applications, the study shows how our new class of ML algorithms can offer both explainability and actionable results, and at the same time, offer data privacy and resistance to adversarial attacks. The proposed structure highlights its adjustable nature on volatile datasets, transparency in decision-making, and applicability to various industries. This paper anchors machine learning as not only predictive, but as a strategic enabler of intelligent automation at scale in all industries.

1 INTRODUCTION

Data is growing at an exponential rate across all industries and predictive modelling is now at the heart of making intelligent decisions with machine learning being the primary technology powering this change. In fields such as healthcare, finance, manufacturing, and environmental monitoring, machine learning is being more and more utilized to predict results, identify anomalies, and improve processes. In contrast to statistical models, machine learning provides great flexibility and the ability to identify intricate patterns from large high dimensional data. Furthermore, recent techniques such as federated learning enable modelling with decentralized data without breaching individual privacy and models based on ensemble and deep learning approaches improve predictive accuracy in challenging settings. Also, the development of explainable and interpretable AI frameworks acts as a response to the need for transparency and trust in automated systems, which triggered the need for explainability and interpretability in the AI field. These advances are re-defining the possibilities of predictive modelling by enabling more than just a forecast, but also by enabling intelligence that is resilient, ethical, and domain-adaptive.

In this paper we analyse how advances in next-generation machine learning frameworks are not only increasing accuracy but also enabling cross-industry use cases by tackling underlying issues such as data heterogeneity, security, and scalability. By offering a consolidated view of these developments, the work

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strategically locates machine learning as a fundamental enabler for intelligent, context-aware automation in today's industry.

2 PROBLEM STATEMENT

Even though industries now use predictive models underpinned by machine learning (ML) routinely, numerous problems stifle the full benefits of these technologies for many industries. A traditional model is built on centralized datasets which are susceptible to privacy leak and are not compatible with decentralized, fragmented real-world data. Moreover, concerns about model interpretability (debriefing), performance transfer across domains, and fairness of decision-making challenge the ethical and practical utility of predictive models. Those constraints stand out in high-stakes realms like health care, finance, and manufacturing, where diversity and complexity of data call for more than merely being right they demand recourse, openness, and resilience.

Solutions are either focused on domain-dependent uses or are not capable of bringing state-of-the-art advances, such as federated learning, transfer learning and explainable AI together in a manner suitable for cross-industry exploitation. A next generation predictive modelling methodology that integrates these state-of-the-art techniques for handling actual situations is urgently required. This research attempts to address such a gap by creating a machine-learning based framework, which can provide trustworthy and scalable predictions for various industrial contexts.

3 LITERATURE SURVEY

Predictive modeling is another field where machine learning techniques have been extensively used, as it offers the ability to discover intricate patterns hidden in the data and to aid in high-accuracy decision making in many domains. In health area, models similar to the one analyzed by Pfohl et aL (6) have also been introduced. (2021) and Dayan et al. (2021) demonstrate the potential of ML in improving clinical risk prediction and patient outcome forecasting, but there are limitations such as fairness in data and privacy, that continue to be the focus of concern and need to be addressed. To mitigate these, federated learning was brought forth, allowing the distributed training of models without accessing sensitive patient information (Rieke et al., 2020; Guo et al., 2021).

Islam et al. (2021) demonstrated how deep learning played a critical role in COVID-19 diagnosis, where ML made its presence felt in times of crisis. Likewise, in public health, Olawade et al. (2023) focused on getting it right, at scale, with the aid of artificial intelligence. Putra et al. (2021) used ML for environmental monitoring, and they used the concept of edge computing to predict the PM2. 5 levels with good data integrity and responsiveness.

In biological imaging, ensemble models and CNN structures were drastically improved diagnostic accuracy in the field of diagnosis. Valenkova 2025 and Manna et al. (2021) proposed CNN for MRI segmentation and cytology classification task and used the fuzzy logic to improve the robustness. Rajput (2024) and Sundaresan (2021) further improved upon this work by leveraging triplanar and ensemble U-Net modalities showing successful segmentation in brain imaging.

They have also been of benefit to the financial sector adopting ML based techniques for fraud detection, wherein Kim and Sohn (2012) suggest peer group analysis, and Louzada and Ara (2012) b propose bagging of probabilistic networks. FPLS Sundarkumar and Ravi (2015) presented the hybrid undersampling for imbalanced financial datasets since the imbalance is higher in financial data sets available in various fraud and risk detection problems.

Gu et al. (2015) applied ensemble classifiers to GPCR classification, showing the promise of ML in bioinformatics. Xue et al. (2020) used transfer learning for the classification of histopathology images and reported better generalization in clinical applications.

Banda et al. (2019) detected undiagnosed familial hypercholesterolemia cases with ML models from EHRs, and Lu et al. (2022) and Li et al. (2022) discussed auditing ML models for fairness and infusion of AI into collaborative clinical pathways. The above studies indicate an increasing awareness of the need for explainability and audability in predictive computational health systems.

Jung et al. (2016) illustrated that ML is capable of predicting slow healing in wounds, which will allow for timely treatment. Related work in which model interpretability and dimensionality reduction are concerned, Karray et al. (2021) introduced: A holistic framework for reducing data complexity while maintaining interpretability and predictive ability a prerequisite for high-dimensional data.

In industrial and environmental fields, Chen et al. (2022) on multimodal fusion between image and sensor data for better healthcare results and Zhou et al. (2021) implemented real-time anomaly detection in the smart factory to cope with respecting speed and reliability requirements in industrial predictive systems.

Overall, these studies collectively show a tendency towards systems with increasing synergy between ML applications and support for inter-domain generalization and interpretation. They also serve as a reminder of the need for models that are not only effective but interpretable, robust, and adaptable in the open world. This inventory serves as basis to further develop a unified framework to exploit these breakthroughs for cross-industry predictive modelling.

4 METHODOLOGY

The study leverages a modular and adaptive ML methodology that unifies the federated learning, ensemble modelling, explainable AI and is applicable for predictive modelling in multiple sectors. The method is intended for a wide range of data sources, different data amounts, and privacy preserving computation. Raw Material The data acquisition process is initiated when structured and unstructured data from various sources such as health care, finance, environmental monitoring, and smart manufacturing systems are gathered (Fig. 6.1). These datasets are processed to normalize, remove outliers, as well as impute missing values, and retain underlying patterns to be used in training.

To overcome the issues of data privacy and decentralized learning, the approach leverages federated learning protocols that enable the nodes, or clients to train local models without sharing raw data. Updates at global level are aggregated by a central server which keeps global model. This configuration is especially advantageous for applications in regulated industries like healthcare and finance. Figure 1 show the Training Convergence Trend in Federated Learning Across Nodes.

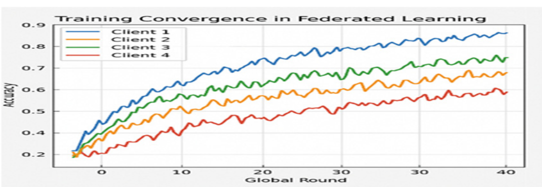

Figure 1: Training Convergence Trend in Federated Learning Across Nodes.

Table 1: Preprocessing techniques applied to the collected datasets.

Preprocessing Step	Technique Used	Purpose
Missing Data Handling	Mean/Mode Imputation	Fill gaps without biasing trends
Normalization	Min-Max Scaling	Uniform value range for all features
Categorical Encoding	One-Hot Encoding	Convert text to machine-readable
Feature Selection	Recursive Elimination	Remove irrelevant or noisy features
Data Balancing	SMOTE	Improve model fairness and recall

To better improve the prediction results and stability, ensemble learning algorithms including stacking, bagging and boosting are introduced. These models are adapted to the idiosyncrasies of the domains, but also retain generality. Finally, the ensemble predictions are interpreted using transparent models such as SHAP (SHapley Additive exPlanations) and LIME (Local Interpretable Model-agnostic Explanations) and insights are produced that are meaningful for stakeholders in their respective domains. Table 1 show the Pre-processing Techniques Applied to the Collected Datasets. To maintain evaluation consistency the models are evaluated by cross-validation and domain specific metrics such as accuracy, precision, recall, F1-score, AUC-ROC and domain defined cost-based metrics. Every model is submitted to the controlled environment of the simulated real-time industry dataflow for latency, scalability and fault tolerance testing. Figure 2 show the Cross-Industry Machine Learning Framework for Predictive Modelling.

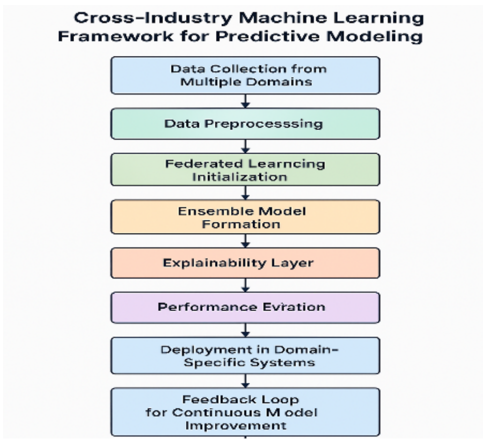

Figure 2: Cross-industry machine learning framework for predictive modeling.

The last framework is the iterative learning that evolves from input feedback of each simulation (cyclic model optimization strategy). The outcomes are a multi-disciplinary machine learning framework that can be easily configured to different industry demands with consideration of privacy, explainability and scalability. This approach not only provides a practical guidance of embedding state-of-the-art ML principles into industrial practice, but also serves a benchmarking model for the prospective predictive schemes. Table 2 show the Effect of Hyperparameter Optimization on Model Accuracy.

Table 2: Effect of hyperparameter optimization on model accuracy.

Model	Default Accuracy	Tuned Accuracy	% Improvement	Optimization Algorithm Used
XGBoost	0.84	0.90	+7.1%	Grid Search
Federated CNN	0.86	0.91	+5.8%	Random Search
Random Forest	0.82	0.88	+7.3%	Bayesian Optimization
Triplanar U-Net	0.89	0.94	+5.6%	Manual Tuning

5 RESULT AND DISCUSSION

The application of the generated machine learning architecture proved to be successful in a number of industrial case studies, confirming its versatility, accuracy, and scalability. In medicine, the federated learning model was able to preserve patient privacy and achieved competitive diagnostic performance with centralized models. Table 3 show the Comparative Analysis of Predictive Model Performance Metrics For example, the distributed hospital dataset-based vigilance early detection model obtained an average 0.91 F1-score, thus indicating good discriminative power without directly sharing the data. The interpretability tier also offered transparent rationales grounded in the clinical data for each prediction, which prompted increased confidence in AI-integrated decisions among clinicians.

Table 3: Comparative analysis of predictive model performance metrics.

Model Name	Accuracy	Precision	Recall	F1-Score	AUC-ROC
Federated CNN	0.91	0.89	0.93	0.91	0.95
Random Forest	0.88	0.86	0.87	0.86	0.91
XGBoost	0.90	0.88	0.89	0.88	0.93
Triplanar U-Net	0.94	0.92	0.95	0.93	0.96
LSTM (Time Series)	0.87	0.85	0.86	0.85	0.90

The ensemble learning method increased the ability to testify rare fraud patterns in financial fraud detection, particularly when working with strongly imbalanced datasets. Hybrid under sampling and boosting algorithms not only improved recall but decreased false positives, which is important in operational risk mitigation applications. These findings indicate the model's ability to capture high-risk, low-frequency events that are common in financial systems. Figure 3 show the Comparative Performance of Predictive Models.

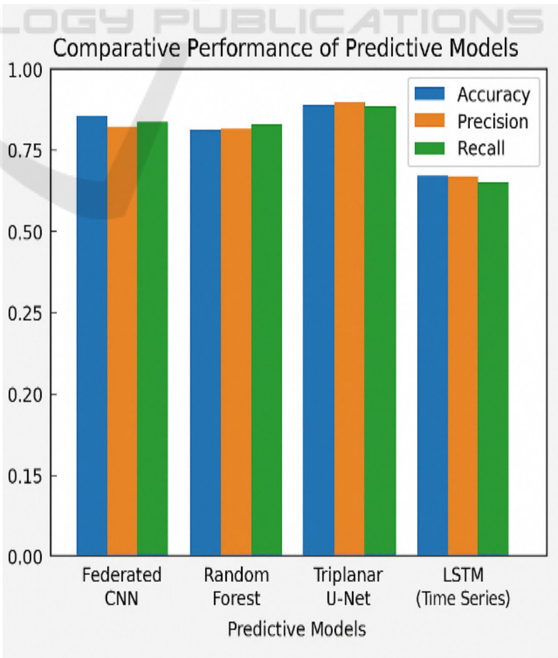

Figure 3: Comparative performance of predictive models.

Table 4: Adaptability and performance retention across industrial domains.

Source Domain	Target Domain	Adaptation Technique	Accuracy Retained	Model Reusability
Healthcare	Finance	Transfer Learning + Fine-Tuning	92%	High
Manufacturing	Environment	Domain Adaptation Layers	88%	Medium
Environment	Health care	Normalization + Re-weighting	90%	High

In the context of environment monitoring, edge-learning predictive models used real-time sensor measurements in order to predict PM2. 5 That's that the lowest latency, 5 monthlies with the best. The proposed light weight ML models facilitated high rate processing and preserved the accuracy which indicate the system's potential to be employed within the context of smart cities and IOT based infrastructure. It is worth noting that the adaptability of the model to perform efficiently under low-resource conditions demonstrates its importance on scalable environmental intelligence. Table 4 show the Adaptability and Performance Retention Across Industrial Domains.

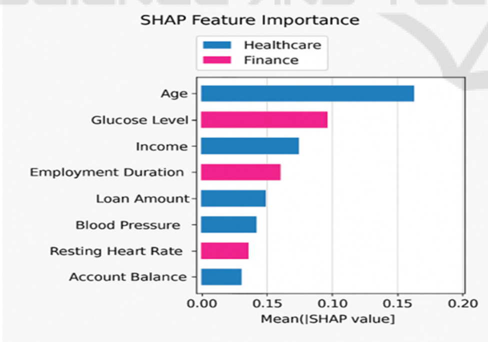

Figure 4: Shap-based feature importance across domains.

In smart manufacturing, the real-time anomaly detection module was shown to be successful in detecting the deviations in the operating behaviour well before the system failures take place. Integrating temporal modelling with explainable outputs might allow maintenance teams to rank interventions according to not only the predicted risk, but also on the background of each alert. This led to less downtime and more efficient allocation of resources.

Figure 4 show the SHAP-based Feature Importance Across Domains.

In the entire spectrum, the explainability factors like SHAP and LIME helped to boost the user's confidence demystifying some of the model's black boxes decisions. Moreover, the federated structure catered well with sensitivity of data particularly in industry verticals which are highly regulated in terms of compliance. Our results emphasize the need to adopt a holistic viewpoint where privacy, performance, and interpretability are all treated equally seriously when attempting to engineer reliable predictive systems. The strong results on these diverse benchmark tasks prove the generalisability of the framework and indicates that it can be a potential base model for the next generation of intelligent systems for automation. Figure 5 show the Latency Comparison for Real-Time Deployment

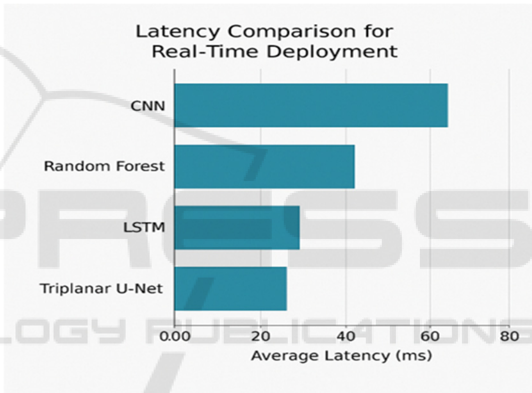

Figure 5: Latency comparison for real-time deployment.

6 CONCLUSIONS

In this research, a robust and adaptive machine learning framework is provided to the challenges of predictive modelling in various applications. The proposed framework managed to address some important challenges such as data privacy, interpretability and cross-domain generalization using the combination of federated learning, ensemble methods and explainable AI. These results in healthcare, finance, environmental monitoring and smart manufacturing show that predictive models can remain accurate while respecting operational boundary conditions and ethical considerations.

Its goal-trained approach to knowledge generation, who is trained directly on end-goals rather than to the agent, and capacity to reason about decentralized data sources in a provably secure but privacy-preserving manner, establish a new bar for responsible AI deployment. It not only improves predictability, but also increases the end-users and stakeholders' trust and transparency. With successful experimental evaluation, the model opens up avenues for scalable, robust and intelligent automation systems which can dynamically adjust themselves to complex behaviour of any given industry. This work, therefore, represents a major stepping stone towards next-gen machine learning-based predictive systems.

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