MAY 2004 Pharmaceutical Executive

Science on Screen

"Edutainment" meets its match in specialty medical animation.

Jeff Hazelton may not seem like your typical medical marketing executive. After graduating with a degree in biology, the young trailblazer set sail for New Zealand, using only the stars as a guide. He soon grew weary of the vagabond lifestyle and returned to the United States, applying his adventurous personality to his career. He taught him- self graphic design and 3-D animation and, at the age of 30, founded BioLucid Productions, a medical animation studio based near San Diego. Hazelton distinguishes himself and his company by producing top-quality specialty animation as well as excellent ROI for his company. And focusing on both of those aspects seems to be paying off: Propelled by accounts from Pfizer, Amgen, and Prometheus Laboratories, BioLucid has doubled its annual revenues in each of the last three years.

Pharmaceutical Executive: **Where do most companies use medical animation?**
Hazelton: Most companies buy animation to put something flashy on a tradeshow screen. But there are other uses that we are educating companies about and also that they are coming up with themselves. One trend we have noticed is reformatting trade show animation for use on a website or CD, either as a training module for salespeople, or if they change the narration, a compliance tool for patients. But we also think animation is appropriate to use in TV commercials, online advertising, and e-detailing.

Why have trade shows been the primary driver of demand?
That's where competitors are fighting each other for attention-somebody is showing animation on this screen, and a competitor wants to outdo them by having their own animation.

Movies Meet Molecules Jeff Hazelton of BioLucid deliveres animation in a fun and informative way.

What else is fueling animation's growth?
Drugs in development-be it the mechanism of action, the delivery technology, or the drug discovery process are more complex than ever before. Instead of sales representatives trying to describe how those products work, they can use animation. As a result, sales reps can take that conversation to a higher level. Also, smaller biotech companies are now showing animation to investors to raise funding. After all, how else are they going to describe to this room full of laypeople why they should invest their money in their product? If investors don't understand it, they're not going to trust it.

Why do relatively few companies use animation?
Animation is viewed as expensive. A two-to three-minute animation is roughly $60,000. It's a matter of convincing companies about its value.

How does animation's value proposition compare with more traditional marketing vehicles?
Compare animation to advertising. We see pharma spend a million dollars or more on a drug commercial that shows an old woman and man dancing. They will pay an agency and fly them out to Los Angeles, and then hire a cast and

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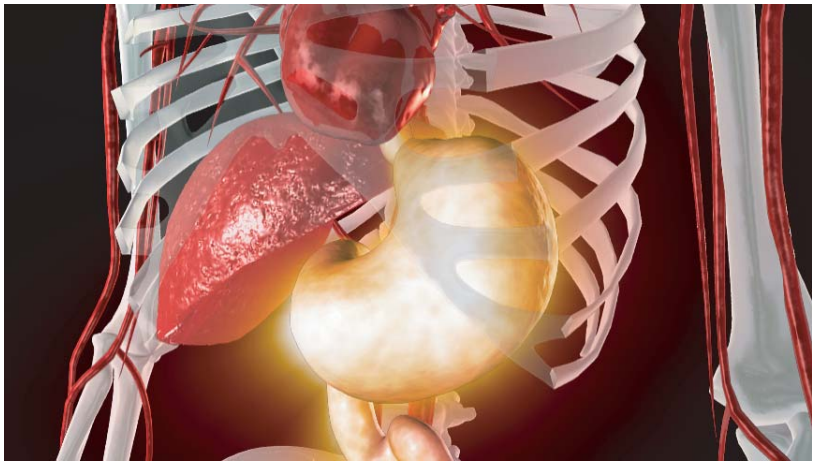
crew to conduct a whole creative shoot. - And for just a drop in the bucket of that money, they could have a really high- quality animation that explains how the drug actually works-not people dancing, not people on swings, not flowers blowing in the meadow- and it can be shown to physicians or patients. Many agencies don't advocate animation because there's nothing in it for them. They may mark it up and get some profit, but when you take that against the confusion that can arise from being a middleman in a process, it becomes a nightmare for them. That's because agencies don't necessarily understand the science to the degree that we need them to express it to us. And they don't understand the animation to the degree that the client needs to understand it. Agencies also tend to use animation just for one initiative instead of someone who is a little higher on the chain that can say, "Let's use this in marketing and then refocus it over in sales."

How can you prove animation's value?

We're fast-tracking a project for a client that will tell companies how many physicians are watching their animation and how much of it they have watched. That's the whole ROI theme that so many pharma marketers are looking at right now. The technology works by embedding links in the animation so that when physicians click on a link, it sends a message to the client's e-mail saying so- and-so physician watched the animation. Then the link takes the physician to a web page that asks a few questions about what they watched.

Animation is not new. Why should companies try it now?

The artistic evolution of animation is driving the quality up. The animation that companies traditionally used made people's eyes glaze over, because they were used to seeing sophisticated images at the movies. Before, programmers or scientists created animation. Now, real artists control the procedures and the end product, with tools that have evolved to the point where they are like a paintbrush. The goal is to make the animation the most compelling possible. It has to be accurate, but it also has to be entertaining.



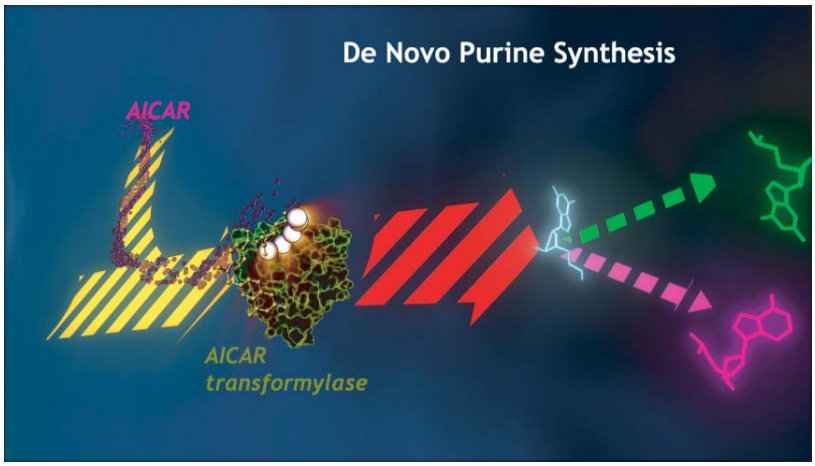
The Art of Science BioLucid developed this animation, which shows the gastrointestinal distress due to the side effects of methotrexate, for Prometheus Laboratories.

How do you do that?

Hollywood is the breeding ground for our technology and techniques-it's great for us because we have this entire industry dedicated to advancing the tools we use. For example, we use the animation software Maya, which was used in Lord of the Rings, Star Wars, and Spider-Man. We also borrow storytelling elements that Hollywood has been using for decades, like music. Think about Star Wars-sound is a big part of that experience. We try to bring that to the animation as well. When the perspective changes from an organ to a cellular level, the music changes. It's typically very ambient-it almost floats-and should never fight with the animation.

What's on the horizon for the field?

3-D displays that don't require people to wear the glasses. The screens are just rolling out this year, and we have developed partnerships with companies such as Deep Light, which builds screens for NASA. Looking far into the future, 3-D animation will be in the operating room assisting surgeons. PE



Pathway Comes To Life 3D animation can be used to clearly expain complex metabolic pathways using accurate representations of molecules and interactions