

# Decoding the Duality

## By Ben Power

Accounting is one of the toughest, most feared subjects at universities around the world. But Peter Frampton FCA and Mark Robilliard FCA want to change that. The two former KPMG colleagues have designed a revolutionary accounting education method, Colour Accounting, which uses colour and simple diagrams to explain misunderstood accounting concepts.

The method is opening up careers and opportunities for thousands and is changing lives – particularly through their pro bono work in Frampton’s home country of South Africa. But from their business base in Washington DC they have bigger ambitions – they now want every student to have access to Colour Accounting, and they want it adopted in every school and university. “Our vision is massive,” Robilliard says. “Our mission is to improve accounting education globally.”

And this mission is urgent: Robilliard and Frampton argue that the world is facing a financial literacy crisis, which contributed to the global financial crisis and, they say, was exacerbated by a lack of accounting knowledge.

But to succeed in their quest, the duo need to win over academics, which can be tough. So they’re also reaching out to students directly through books and the internet, and hoping the students will convince their teachers that Colour Accounting makes accounting easier to learn and is the future of accounting education. “Our goal is to provide it to students and hope it will bubble up (to academics),” Robilliard says.

Robilliard and Frampton were both strong school students, but found that they struggled with accounting in university.

So when they met in 1990 at KPMG’s national office in Sydney, where Robilliard was the national training manager, they soon discovered a shared frustration with accounting education, particularly the inability of students to fully grasp the key concepts.

“I could see people coming out of unis just the same as I was,” Robilliard says. “They didn’t have a clue.” There are significant costs to poor accounting education, including lost careers. “People are being affected by this stuff; thousands of people are changing careers because they couldn’t get around accounting,” claims Frampton.



## The bigger issue

But the issue is bigger than struggling students. Accounting is the language of commerce, and Frampton and Robilliard say people are being shut out. Accounting literacy is the basis of financial literacy and is crucial to boosting people’s understanding of money and business.

After their time at KPMG, Frampton and Robilliard went on to other roles at different firms, but the problem still troubled them. They kept in touch and continued to work on the challenge, with Frampton eventually starting an education company in 1997 called Accounting Comes Alive, a play on the title of the famous rock album, Frampton Comes Alive! by the musician Peter Frampton (no relation, though they have met).

Robilliard, who has his home in Noosa on Queensland's Sunshine Coast, says he knew he was either stupid or the accounting education system was broken or limping. "Of course I decided it must be the system," he laughs. Students particularly struggled with the notion of 'debits and credits, lefts and rights'. "It is not easy to see or grasp this fundamental but confusing concept," Frampton says.

The pair developed methods to explain how accounting works using diagrams. But their big breakthrough came after the advent of the desktop colour printer in the 1990s, which enabled them to use colour as a distinguishing factor to explain debits and credits. "No-one else had done that before," Robilliard says.

Colour Accounting uses colour to explain the often confusing 'duality' or double-sided and double-effect nature of double-entry bookkeeping. It divides the ledger into two colours: green for uses of funds (debit), and yellow for sources of funds (credit). Similarly, the journal is colour-coded: each transaction has a green effect and a yellow effect.

"The colours make it more intuitive and easier to see and grasp," Frampton says. He adds that what they have effectively done is invent a graphical user interface for accounting. He likens it to the development of the Macintosh, or Windows on PCs.

But Colour Accounting also clarifies confusion around the language of accounting. "People don't understand the language," he says. People might discuss income, for example. One person may be thinking of cash while the other is not. Frampton says income is never cash; income is actually a verb-concept – it describes what you do to generate cash, an activity.

## Major epiphanies

Colour Accounting's impact has often been life changing. "People have major epiphanies," Frampton says. Ten years ago in post-apartheid South Africa he held a workshop that ran one night a week for four weeks. On the third night a student came in and said he couldn't sleep the previous night because he was so excited. "I said: 'why? It's just accounting'." The student said he had failed four accounting courses and now he knew he wasn't stupid. Then Frampton realised: for this student, accounting was a passport to middle-class life, rather than a life in a shanty.

A woman in New York City had the lights go on at an accounting workshop and shrieked that she could finally finish her MBA. "I couldn't get that you could have two entries on the same side of the ledger," she told Frampton, who collects published books that say – incorrectly – that you can't.

They had the technology, but the challenge has been to get the message out. The duo run workshops and have sales partners around the world, with clients such as UBS, Morgan Stanley, Goldman Sachs, Rio Tinto and the US Securities Exchange Commission. They work with many not-for-profit organisations, such as Vital Voices, founded by Hilary Clinton.

Patrick Hoiberg FCA, a past president of the Institute of Chartered Accountants Australia, is a former academic who had been teaching accounting for non-accountants for many years the traditional way. He now commences any financially-based training with the Accounting Comes Alive methodology.

He has presented the course to large Australian corporates, including Worley- Parsons, Rio Tinto and John Holland, as

well as many small companies and public courses. “The feedback I have received from those attending has always been very positive, even grateful, for at last being able to understand what before had been an accounting mystery to them,” he says.

Hoiberg says he would like to see this course being available to all accounting students, “as I am sure they would benefit greatly from the simplicity of the teachings of Accounting Comes Alive”.

Frampton and Robilliard want it adopted in universities and schools. They already work with a number of universities. Frampton is on the adjunct faculty at the American University in Washington DC and has taught courses at Georgetown University and Wharton’s Executive Education unit.

## Resistance, and the future

They have, however, met resistance to their new and simple way of learning accounting. “There is quite some inertia from academics,” Frampton says. “It’s understandable as, previously, not much has changed in hundreds of years.”

The head of the accounting unit at Harvard Business School, professor Paul Healy, has endorsed Colour Accounting, but there is internal resistance to its adoption there.

One education system that is willing to adopt it is in South Africa. Frampton recently met with the minister of education of the Western Cape in South Africa (where he was born) to discuss donating their system to augment the high school accounting teaching process.

The education department was keen and the pair are currently looking for an advertising sponsor to help provide materials for up to 70,000 school children. By the end of October they will have ‘upskilled’ 30 accounting teachers and trained them how to use the Colour Accounting system in their classrooms. “It’s so exciting to be helping redress educational injustices in South Africa,” Frampton says.

They have also run a number of programs for Aboriginal corporations in Australia, and they are in talks about assisting a project with the Joint Accounting Bodies in Australia to create 1000 Aboriginal accountants by 2020. “Working at grassroots in South Africa and Australia, and at the same time working at the top echelons of Wall Street, is gratifying,” Frampton says.

The duo has now expanded their strategy from working only through universities and schools, to going straight to students as well. They are rolling out products such as books, accounting software, financial statement visualisation tools and websites. They are looking at launching a free classroom at their [www.accountingschool.com](http://www.accountingschool.com) site, and Robilliard says their model is inspired by the Kahn Academy, a non-profit provider of online education. “We want to do that for accounting,” he says. “It’s time.”

They have also written two books, including *Introducing Color Accounting*, which is an animated book with movies, audio, 3D interactive diagrams and animations, available on iPads. The *Color Accounting Parable* was downloaded 14,000 times in June.

Robilliard and Frampton have had offers to invest in the business but are cautious about venture capital. “We have a long-term vision and are taking it slowly,” says Frampton. They’re being cautious on the business side, but they believe their education mission is massive and urgent.

“It’s a fundamental human right to understand how money works, and accounting is a big blocker of that because of its inaccessibility,” he says. “We’re going to change that.”

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For further information on the Accounting Comes Alive program, or to purchase copies of the books, visit [www.accountingcomesalive.com](http://www.accountingcomesalive.com)

Titles are available in hard copy and through a variety of digital download providers.

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