



INNOVATION COUNCIL

Innovation Council Q&A

Color Accounting Learning System
Peter Frampton, Wealthvox

December 2024

Innovation Council sat down with Peter Frampton, co-founder of Wealthvox and developer of the groundbreaking Color Accounting Learning System, to learn more about his company's innovation journey.

Q Thanks for sitting down with us today! Tell us about you.

A I'm an entrepreneur and co-founder of Wealthvox, which is a financial education company. I qualified as a Chartered Accountant in Australia and worked for KPMG at the start of my career. I've been leading Wealthvox for 25 years, during which time I lived in Australia, South Africa, the USA and, most recently, Switzerland.

Q Tell us about the origins of the company. Where, when, and how was it founded. How big is it today?

A I failed accounting at university, finding it difficult. Later, after qualifying, a colleague at KPMG and I declared there must be a better way to teach the subject of accounting. We set out to find that way. We didn't realize how big a sweep of innovation we would eventually confront.

Today we have developed an alternative conceptual framework that has people see orthodox financial accounting concepts in a clearer way.

Wealthvox got going in Cape Town, South Africa, in a business incubator that I founded. We are now ten full-time employees with dozens of licensed distributors and many commercial and educational institutions using our intellectual property, the Color Accounting Learning Method.

Q Innovation Council advocates for policies that make it easier to develop and bring novel products and services to market, everywhere. What is the innovation that Wealthvox brought to market? Please describe it for us.

A It's the Color Accounting Learning Method. This is a multifaceted innovation that has people more clearly conceptualize how accounting and business finance work. It involves the use of color-coding, mapping, linguistic clarification (redefining casually used and misleading terms), sound effects, and deliberate sequencing and layering of concepts. It uses hands-on props in some settings.

Q What is the status of Color Accounting? Where is it used today and who are your customers? Give us a snapshot.

A Through our consulting division, we use the Color Accounting system to upgrade the financial conversation in corporations by analyzing our clients' internal financial processes, upskilling the employees with an understanding of universal financial principles, and then representing the company processes in a newly accessible manner.

Our distributor network offers more traditional finance for non-financial manager courses.

Universities and high schools in North America, Europe, Asia and Africa use the Color Accounting method in their curricula,

sometimes buying physical learning props from us and using the online resources we provide.

The American Institute of CPAs uses our curriculum in a national accounting apprenticeship program they are promoting.

Accounting firms use our licensed materials delivered by internal Color Accounting-accredited trainers to onboard their new hires.

Q What is the role of IP in your business? Did you register for formal IP rights?

A We have variously applied for, received, and failed to receive a number of patents. We should probably have made greater use of design patents. We have a number of trademarks registered in, among other places, the US, UK, and China, and with the EUIPO. We have exerted full copyright over much of our material and put some parts of our oeuvre into the creative commons, most recently with a CC BY-NC-SA license.

Q Do you work with others and, if so, how do you share and protect your IP?

A We have license agreements with our distributors and our accredited facilitators. We use an intellectual property acknowledgment agreement for most people working with our IP. We use legal templates that we've paid for. We also use simple self-drafted agreements for ad-hoc collaborations.

Q Please identify 2-3 key factors behind your success and expansion over the years.

A These would be: A breakthrough technology (the methodology) that works better than traditional approaches to teaching accounting.

The advent of the desktop color printer, which enabled the use of diagram and color which underpinned the development of the new system. We printed a diagram and then spent a decade refining our understanding of it and our ability to explain it. This became the basis of our offering and services.

Doggedness. By being chronically dissatisfied with our system, we kept evolving it and discovering new mini-breakthroughs. Collectively the little breakthroughs in identifying and solving the challenges of explaining accounting added up to a revolutionary approach.

Q Name one memorable innovation moment in the company's journey. Describe the innovation and how it came about. What impact did it have on your business, market, customers?

A It was only after a few years that the significance of the printed diagram - now called the BaSIS Board™ - became clear. That diagram is the game changer. It does for accounting education what the Macintosh did for computers, making it pointable and intuitive.

Q Can you think of any government policies that helped or held back your success? What would you have liked to see in terms of government programs or support along your journey.

A With hindsight, we would have benefitted from neutral IP mentorship, separate from lawyers wanting to sell us patent services.

Q Can you name a challenge the company had to overcome during its journey? Could targeted government policies or support have helped the team to get through it.

A During the first part of our innovation journey, we were constantly focused on developing and improving the system, and this was accompanied by a lack of focus on sales. Only recently have we really kicked into gear on the sales front.

Balancing product development with commercial sales was our most prominent long-term challenge. I'm not sure that government support would have made a difference.

Q Where to next? What are your goals for the future?

A We seem to be approaching a tipping point in the recognition and adoption of the system. Scaling is becoming a challenge because our ad hoc business and marketing processes are now too stretched. So we are now focusing on streamlining our IP delivery to clients, using a split process of more self-service products (online downloads, self-study, etc) and higher-end, higher-margin consulting.

An important challenge is to balance how much IP to make freely available to achieve ubiquity, with how much to charge for. We are looking at a type of Freemium model.

We know that all accounting will be taught our way (or variations of our way) eventually. Where and how we position ourselves within that ubiquity is our challenge.