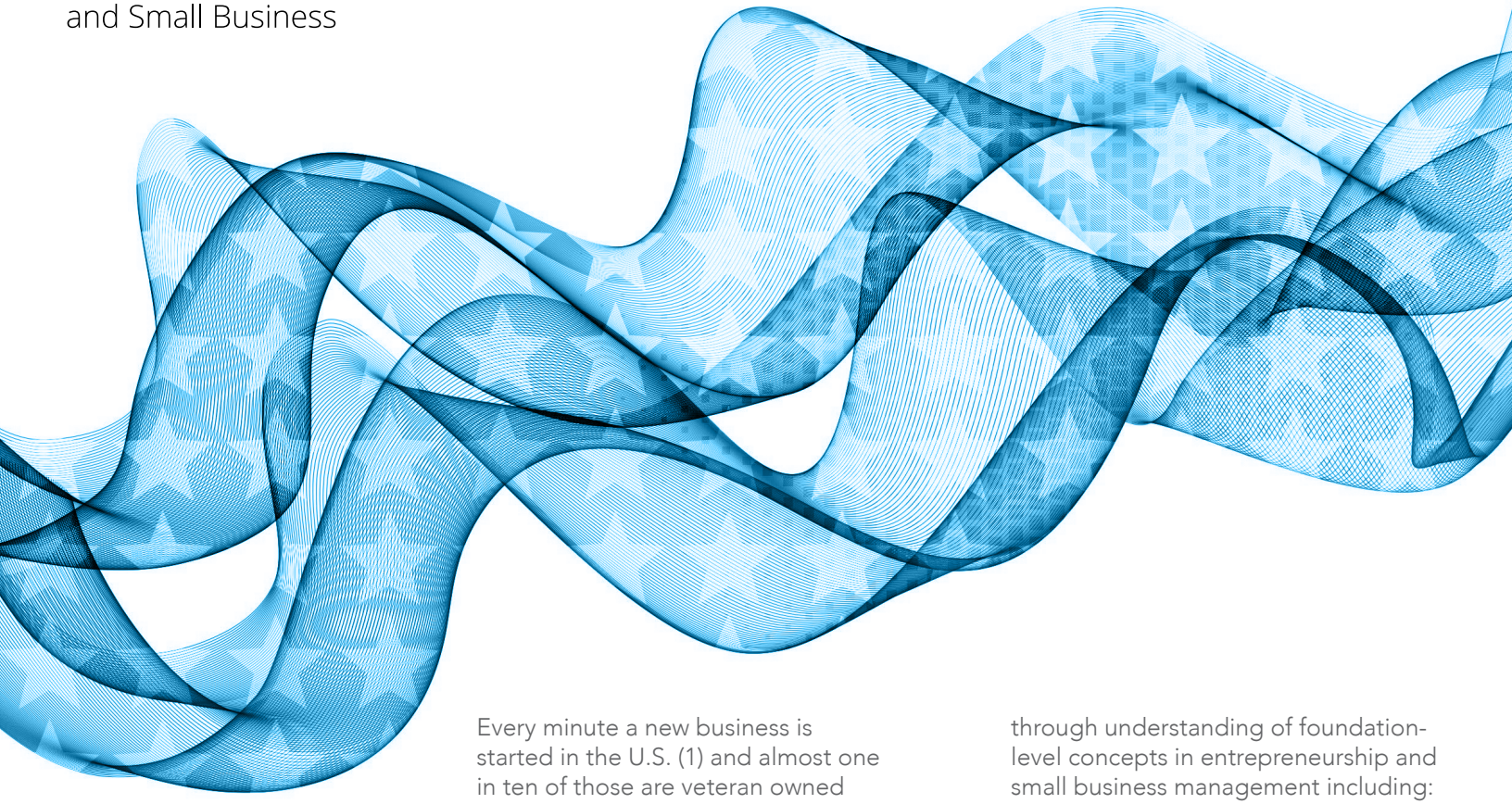
ESB
Entrepreneurship
and Small Business

PROVIDING OPPORTUNITIES TO THOSE WHO HAVE SERVED



Every minute a new business is started in the U.S. (1) and almost one in ten of those are veteran owned (2). Whether it is a financial services agency in a large metropolitan city, a construction company in a booming resort location, or a massive warehouse in the suburbs, an incredible number of small businesses can be found almost everywhere. The Entrepreneurship and Small Business (ESB) certification is ideal for transitioning Service members looking to join the ranks of small business owners.

More than 2.5 million American businesses are veteran-owned – employing more than 5 million people.2

Candidates for ESB certification will be expected to have key conceptual knowledge of entrepreneurial and small business principles, although real-world experience is not required to take and pass the exam. The ESB certification will test and validate that Service members are ready for small business ownership through understanding of foundation-level concepts in entrepreneurship and small business management including:

- Entrepreneurship
- Business Management
- Starting a Business
- Business Operations
- Marketing and Sales
- Financial Management

Where to find and take an ESB exam

The Entrepreneurship and Small Business certification, practice tests and supporting curriculum are available at on-base Pearson VUE test centers around the world. Exams will be available as single vouchers, voucher/retake exam combinations or as part of the Asset Management System.

For more information about ESB certification, visit: **www.certiport.com/esb**.

1: (The State of Small Business in America, 2015, Business.com)
2: (Veteran-Owned Businesses and Their Owners, 2017, SBA.gov)

ESB
Entrepreneurship and Small Business

Objectives of the Entrepreneurship and Small Business Certification (ESB)

The ESB certification is built to test and validate foundation-level concepts and knowledge in entrepreneurship and small business management. These core concepts include entrepreneurship; recognizing and evaluating opportunities; planning for, starting, and operating a business; marketing and sales; and financial management. For each core concept, the ESB exam will certify knowledge and skills on several specific objectives:

The Entrepreneur

- Identify the characteristics of entrepreneurs
- Given a scenario including a self-assessment outcome, identify the strengths, weaknesses, and risk tolerance the self-assessment identifies and how to compensate with services
- Given a scenario, recognize a business opportunity
- Identify the risks, benefits, opportunities, and drawbacks of being an entrepreneur

Opportunity Recognition

- Identify the benefits and drawbacks of different types of opportunities (e.g., start a new business, buy an existing business, and buy a franchise)
- Given a scenario, analyze the demand for the goods or service and opportunities in an environment
- Given a scenario, identify the customers or potential customers for a business
- Given a scenario, recognize a value proposition

Starting a Business

- Identify the purposes and value of a business plan
- Identify the appropriate legal structure, benefits and drawbacks for different legal structures for a business
- Given a scenario, identify different types of licenses and regulations that are required
- Identify the benefits and drawbacks of various sources of start-up funding: Equity (friends/family, angels, venture), Debt (bank, credit cards, personal loans), and Grants (government, foundation, corporate)
- Given a scenario, identify support that is available for the business on a local, state, and federal level
- Identify the ethical practices and social responsibilities of a business
- Identify potential exit strategies for a business

Business Operations

- Given a scenario, identify key positions and human capital needs (including compensation and benefits)
- Given a scenario, determine whether work can be completed by the owner or whether employees or service providers are needed
- Given a scenario, identify the taxes that are required
- Given a scenario, identify intellectual property issues of trademarks, copyrights, and patents
- Given a scenario, identify standard operating procedures (e.g., setup, conduct, internal controls, separation of duties)
- Given a scenario, identify the factors that lead to sustainability
- Given a scenario, identify milestones as part of a growth strategy

Marketing and Sales

- Given a scenario, develop a sales strategy and identify characteristics of a successful sale
- Given a scenario, identify and analyze the costs/benefits of finding customers
- Given a scenario, identify how to retain customers and develop a relationship with repeat customers
- Given a scenario, determine value and methods of communication including: web sites, brochures, social media, and advertising

Financial Management

- Given a scenario, interpret basic financial statements such as income statements and balance sheets
- Given a scenario, identify the factors that influence credit ratings and the importance of a positive credit rating
- Given a list of expenses, identify which are fixed versus variable
- Given a scenario, identify the factors that impact the price to the customer
- Given a scenario, identify and analyze cash flow including: accounts receivable, accounts payable, inventory, and debt
- Given a scenario, create a cash flow budget
- Given a scenario, identify the break-even point for the business

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