

## Exam Objectives for ESB (Original)

### The Entrepreneurship and Small Business (ESB)

certification targets high school and post-secondary students who are interested in pursuing their own entrepreneurial endeavors, whether that be starting their own business or working in a more established business environment. The original ESB certification covers a wide array of topics, including entrepreneurial and small business concepts, business recognition, starting a business, business operations, marketing and sales, and financial management. Candidates should have at least 150 hours of instruction or hands-on experience with entrepreneurship and small business topics.

To be successful on the exam, the candidate is also expected to have the following prerequisite knowledge and skills:

- 8th grade reading and math skills
- Basic digital literacy skills



## Objective Domains

### 1. The Entrepreneur:

- 1.1 Identify the characteristics of entrepreneurs
- 1.2 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
- 1.3 Given a scenario, recognize a business opportunity
- 1.4 Identify the risks, benefits, opportunities, and drawbacks of being an entrepreneur

### 2. Opportunity Recognition:

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

### 3. Starting a Business:

- 3.1 Identify the purposes and value of a business plan
- 3.2 Identify the appropriate legal structure, benefits and drawbacks for different legal structures for a business
- 3.3 Given a scenario, identify different types of licenses and regulations that are required
- 3.4 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)
- 3.5 Given a scenario, identify support that is available for the business on a local, state, and federal level
- 3.6 Identify the ethical practices and social responsibilities of a business
- 3.7 Identify potential exit strategies for a business

## 4. Business Operations:

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

## 5. Marketing and Sales:

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

## 6. Financial Management:

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