Review Of The Biographical Film Steve Jobs

Steve Jobs was an incredibly successful entrepreneur due to his resilience to failure. Danny Boyle then directed, Steve Jobs to showcase Jobs' path to success, from the development of the Apple II to the introduction of the iMac G3. Throughout the movie, multiple economic concepts were demonstrated, which include the law of supply and demand, the wants and conflicts between stakeholders, and the idea of scarcity and opportunity cost.

Supply and Demand

Apple was set in an oligopoly market when it was successful as it had 30% of the market share. The competition in this market helped demonstrate the law of supply and demand, which states that supply increases with price while demand decreases as price increases if everything else is unchanged. This is shown by the low sales of the Macintosh after its launch, which sold only around 35,000 units because it was overpriced. This shows that as price increases, demand decreases as consumers will support other companies such as IBM or Microsoft instead. The PC that was more versatile was also sold at the same price. Consumers wanted the ability to modify their computers at the time, which is why the Apple II worked financially. The Macintosh did not have as many features as the PC and the end to end control also prevents the users from adding more features themselves. This shows how it is important for a competitive business to satisfy consumers' wants. However, Jobs was determined to keep the system closed to prevent hackers from copying his ideas. He was overconfident and believed that he could persuade his consumers and change the market's demands within a short period of time, which is one of the main reasons why the Macintosh failed.

Stakeholder Wants and Conflicts

The protagonist, Steve Jobs illustrated the conflicts between the owner and other stakeholders, which are the institutions and individuals interested in the success of another due to their own personal gain. For example, one of Jobs' employees, Andy could not make the voice demo work and wanted to remove it from the launch. Employees prefer to do less work in a relaxing environment but Jobs as the owner expected them to be efficient. He threatened to publicly shame Andy because he wanted to make the best out of his products to increase profit. This provided Andy with enough motivation to ensure that the voice demo works. The owner was also in conflict with the government when Jobs wanted to turn the exit signs off so that his product launch would be successful. However, the government disagreed as they expect companies to follow specific safety regulations since the exit signs may be crucial during a fire.

They had no interest in Jobs’ desire to successfully advertise his products as it did not directly benefit the government. The conflict between the consumers and the owners was also demonstrated by Jobs’ voice demo and the Next computer. This is because Jobs ran the voice demo with a different unreleased computer while his Next computer was launched without an operating system. The consumers expected quality products from Apple but Jobs was willing to provide falsified information about his products so that he can have a successful advertisement.

Scarcity and Opportunity Costs

Multiple decisions were made in the movie due to limited resources, also known as scarcity. One is then forced to give up the benefits of the second best alternative, known as the opportunity cost. This is shown by the drop in Apple sales after the introduction of the Macintosh because consumers have a limited amount of money. This forces them to choose between the Macintosh with fewer features or the PC with more features at the same price. The opportunity cost of buying a Macintosh was higher because you will be missing out on more features compared to the PC. Due to its comparative advantage, consumers would pick the PC over the Macintosh, causing Apple sales to drop significantly. Another example would be when the board of directors fired John Sculley to hire Jobs back. The company did not have the financial capability to hire both Sculley and Jobs as the CEO, which is why they had to make a decision. Since the shareholders’ main desire is to have more dividends for themselves, they chose Jobs as he had an absolute advantage. He could innovate more products whereas Sculley only knew how to focus on the Newton Message Pad, which was not desired by the consumers at that time. By hiring Jobs, Apple could potentially introduce more products to the market and increase their sales, allowing the shareholders to earn more money, making it the financially wiser choice.

Conclusion

Overall, this movie demonstrated how the different wants of stakeholders could come into conflict with the owner, how the idea of supply and demand played a crucial role between competitive businesses, and how the concept of scarcity and opportunity costs affected decision-making. The viewers were then able to understand the economic journey of Steve Jobs and how these concepts helped him become one of the world’s most successful entrepreneurs.