HP Split Will Boost Industry

The newly split of Hewlett Packard Enterprise and HP will transform its business by helping other firms transform theirs, Meg Whitman said Monday.

'Every company, whether it is a small company or a big company, is having to take their legacy IT systems and transform themselves so that IT can be a competitive advantage. How do you turn an idea into a reality in warp speed?' HPE's chief executive officer told CNBC's 'Squawk on the Street.'

'We are uniquely positioned to help companies do that because we have hardware, software and services, and we are focusing around a small number of problems that are really important to customers.'

Following the split of Hewlett-Packard into two separate publicly traded companies on Monday, HP Inc. (HPQ) will sell personal computers and printers, and Hewlett Packard Enterprise (: HPE'WI) will sell commercial computer systems, software and tech services.

Hewlett-Packard was an early pioneer of what became the model for Silicon Valley start-ups: Founded in 1939 by two Stanford graduates in a Palo Alto, California, garage, HP was long celebrated for its engineering know-how and laid-back corporate culture. It made hefty profits as it grew into a multinational giant that sold a wide range of computer gear and commercial tech services.

But after struggling to keep pace with recent trends like the rise of smartphones and cloud computing. HP's board decided last year to create two smaller companies, each with a narrower focus ◆

Apple Will Launch a New 4-inch iPhone

Apple could release a new 4-inch iPhone next year that "resembles an upgraded iPhone 5S," according to a report by respected KGI Securities analyst Ming-Chi Kuo. The device is targeted to be released in the first half of 2016, says Kuo, and will be powered by the A9 chip seen in the iPhone 6S and 6S Plus. However, unlike these larger models, the 4-inch handset will reportedly not offer the pressure sensitive 3D Touch feature, in order to differentiate the lineup.

'As there is still demand for a 4-inch iPhone, we believe Apple will upgrade this product line,' writes Kuo in an investors' note reported by *Mac Rumors*. 'Because the iPhone 5S is more popular than the iPhone 5C, we think Apple is likely to launch an upgraded iPhone 5S. We predict Apple will mass-produce this new 4-inch iPhone in 1H16 with metal casings. In order to make the current iOS 9 or next-generation iOS 10 run smoothly, Apple may adopt an A9 chip for this new phone.' Kuo's predictions suggest this is a small iPhone 6s, not a new iPhone 6c

Although there have been rumors about a 4-inch device since 2015, Kuo has a strong track record that makes him particularly convincing. Over recent years he correctly predicted the launch of the 4.7-inch and 5.5-inch iPhones, as well the two sizes of the Apple Watch, the new 12-inch MacBook, and pretty much the entire spec sheet for the iPhone 6S. However, he's not always right at the right time — he didn't think the 5.5-inch iPhone would arrive until later in 2015.

When it comes to the iPhone 7, Kuo's predictions are safe and not particularly stirring. According to *Mac Rumors*, he foresees an upgraded A10 chip for the iPhone 7 and 7 Plus, with the Plus model getting 3GB of RAM instead of 2GB to differentiate it as the top-end device. If Apple does launch a total of three devices next year, the iPhone lineup will look oddly similar to Sony's Xperia trio, although even Sony thinks a 4-inch smartphone is too small for today's market ◆

Microsoft to Discontinue Windows 7 And 8.1 Next November

Windows 7 has another year to go before it will no longer be preinstalled on new PCs. Still want to buy a PC that comes with Windows 7 or 8.1 from the get-go? You've got less than a year.

Updated late October, Microsoft's "Windows lifecycle fact sheet" shows October 31, 2016, as the "end of sales for PCs with Windows preinstalled" for both Windows 7 Professional and Windows 8.1, a change spotted by CNET sister site ZDNet. After that date, the only choice for consumers will be to purchase new computers with Windows 10 installed. The lone exception will be businesses with license agreements that entitle them to choose which version of Windows they want preinstalled.

The deadline puts pressure on consumers who have grown comfortable with Windows 7 and are reluctant to upgrade their operating system if they buy a new PC. For Microsoft, it's a necessary step toward its goal of having Windows 10 power 1 billion devices, which underscores the company's message that the new software can tie together PCs, tablets and mobile phones with apps that can run on any of them.

Windows 7 users may not realize it, but they actually caught a break. Microsoft typically sets the end-of-sales date for each version of Windows two years after the release of a new version. That means Windows 7's cutoff date should have been in October 2014, two years after the launch of Windows 8. The lack of consumer demand for Windows 8 prompted Microsoft to keep Windows 7 alive longer than expected ◆

Microsoft Buried The Hatchet with Bitter Rival, Red Hat

Microsoft's top cloud guy Scott Guthrie orchestrated this deal with Red Hat. Microsoft and Red Hat struck up a major new partnership on Wednesday. They're giving Red Hat's Linux operating system a starring role on Microsoft's cloud computing service, Azure.

Linux is a free and open source competitor to Windows offered by a number of players, with Red Hat being the biggest. Microsoft says that 20% of the servers it rents on Azure run Linux these days. As Microsoft's cloud becomes more successful, Red Hat was being cut out of that business. At the same time, Azure customers want to use the most popular version of Linux, which is Red Hat's software.

So, if Microsoft really "loves Linux," as it loves to say it does these days, it was high time for this partnership.

Still the fact that it actually happened shows just how warm and fuzzy Microsoft has come under CEO Satya Nadella. More than a decade ago, Microsoft's then-CEO Steve Ballmer declared war on the Linux operating system, with Microsoft insisting that Linux violates a bunch of its patents. (Since then, and to this day, it's been using that claim to get Linux and Android device makers to sign patent licensing deals with Microsoft, turning its patent licensing operations into a decent business.)

The anti-Linux thing at Microsoft has long since run its course and is fairly well dead under Nadella as well as Scott Guthrie, the Microsoft exec running Azure.

And so another one of Microsoft's long-standing, often hostile rivalries has come to an end. Microsoft has already made nice with Salesforce and many others ◆