The news out of Palo Alto isn't good.

Now, that won't exactly come as a shock to most observers, as HP has been flat for some time. But CEO Meg Whitman yesterday acknowledged that the pain will intensify before the patient recovers, telling analysts that revenues would fall 11 to 13% over the next fiscal year.

In real dollars, that's a drop of up to $16.5 billion, roughly the size of Jabil Circuit, or, the companies ranked No. 15 to 50 on the CIRCUITS ASSEMBLY Top 50 .

Worse, Whitman said not to expect a turnaround before 2016.

Give Whitman credit for honesty, although keep in mind that, by setting the bar low, she raises the prospects for shareholder sainthood should HP's recovery come faster.

But what Whitman did not disclose is what, exactly, HP's prescription for saving itself is. In all likelihood, that strategy will focus on paring of the company's core product lines -- servers, PCs and printer. Perhaps it will follow IBM's lead and sell or spin off its PC unit, an idea that the company itself has floated in the past.

It says here, however, the company HP should be emulating is Apple. HP once was as respected as any business in the tech industry, admired for its stable and forward-thinking leadership, its commitment to research and development, and a manufacturer of the top rank. Today, that path is more remembrance than reality. The company has long since moved away from its manufacturing roots, outsourcing almost anything it could. (Foxconn, Quanta and Wistron have been major beneficiaries.) What HP, along with Dell and many of the other big PC makers, is learning the hard way is, you give away the family jewels at your own peril. By offloading its fixed assets -- and that includes its people -- HP also gave away its competitive advantage. It's become a parody of itself, a business confined to imitation, not innovation. Sure, HP has to retool, but it should do so by going back to its roots, much like Apple did when Steve Jobs was welcomed back after 11 years wandering the desert.

"Invent" was a favorite marketing campaign of HP. The company should practice what it preaches, bring design and manufacturing back in-house, and strive to be the technology leader it once was. It can be done. But HP has to be committed to the task.

*On Oct. 22, chat with Mike Buetow about PCB West and SMTAI at PCB Chat .*