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Deckers' Brand New CEO

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When a company hires a new CEO, it creates uncertainty. It also reminds us that, just as in life, there are no guarantees in stocks. On Monday, Doug Otto announced that Angel Martinez will become CEO of **Deckers Outdoor**(Nasdaq: DECK) effective this April 11, while Otto will remain as chairman of the board. But before we get caught up with worry, let's learn about Martinez and think about Otto's new role.

In the company's announcement, Martinez will be responsible for running the business while Otto, in his new role, will focus on strategy and acquisitions. Is this a good thing? If you look at Martinez's resume, it seems to be. Martinez spent 21 years at **Reebok International**(NYSE: RBK), where he was CEO of Rockport and later became Reebok's chief marketing officer. Sounds good so far.

Reading some articles I found online, I found that Martinez is a well-known and well-respected brand steward. The messages in these stories were very consistent: The brand experience is the lifeblood for consumer-products companies. Nothing new there, but a piece from *Fast Company* took a different angle, noting that Martinez realizes that the retailers are the gatekeepers to the customers for the brand. Such an approach smacks of Phil Knight, who built **Nike**(NYSE: NKE) into one of the world's top brands. Nike treats its retailers very well and gives them all of the support they need.

So, has Martinez been successful? Looking at Reebok's chart, I think we can say yes, given that he was instrumental in Reebok's turnaround story. He crafted the DMX technology message to compete with Nike Air. He refocused the company's message toward women. He brought tennis star Venus Williams into the fold as she began her reign atop of the ladies' tennis world after winning Wimbledon, the U.S. Open, and Olympic gold medals in 2000. Sure, Martinez was not the only reason Reebok was successful, but the turnaround occurred during his watch as chief marketing officer.

As Bill Mann and Seth Jayson so eloquently stated, wives are great sources for investment ideas. My wife is responsible for directing me to Deckers. She led me to Deckers competitor **Keen Footwear**, too. When she finds shoes that make her troubled feet feel fine, I know the product is good. And it just so happens that Martinez helped found Keen and ran the business as CEO and chairman of the board. His leadership there began in 2003, and the company now generates $10 million in sales. So not only can Martinez run a brand, but he can run a business, too.

With Martinez minding the shop, Otto -- with plenty of input from Martinez, I'm sure -- will now be able to find the next brand to drive growth. Teva is fairly mature, Ugg is maturing, and Simple is turning around. Future growth will consist of allocating the capital generated by the current big three to the next brand. I don't know what the next brand will be, but Otto and Martinez have a knack for finding them and making money for their shareholders.

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Fool contributor David Meier owns shares of Nike. He does not own shares in any of the other companies mentioned. The Motley Fool has a disclosure policy.

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