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J. Leleux online brokerage grows client base ten percent per month.

In Belgium, the privilege of buying and selling stock on the Brussels Stock Exchange has always been reserved for licensed stockbrokers. However, in the last five years, legislation has changed to allow banks and other financial institutions to trade on the market. Consequently, independent stockbrokers have not only lost their biggest customers, but have watched as their biggest customers became their fiercest competitors by offering investors lower brokerage fees with the convenience of banking and investing through the same institution.

To stay competitive, J. Leleux & Cie s.a., one of the last surviving independent investment firms in Belgium, has refocused its business from buying and selling stocks to portfolio management and financial consulting. The 70-year-old, $5 million company already had a loyal customer base of 5,000 customers.

Even so, J. Leleux knew that it needed to reach a wider audience and offer more convenient services at a competitive cost. It viewed the Internet as a powerful means of achieving this goal.

"The Internet has enabled us to survive and prosper in a highly competitive market. We could not have taken advantage of these new technologies without IBM."

*– Olivier Leleux, Director,
J. Leleux & Cie s.a.*

Application	Realtime, online stock brokering and financial consulting service
Business Benefits	10% monthly growth in client base; 100% accuracy to date in order processing; first to market with online brokerage in Belgium; $10,000 savings in software development
Software	IBM® DB2® for AS/400® Lotus® Domino™ for AS/400® IBM MQSeries® IBM eNetwork™ Firewall
Hardware	IBM AS/400e series
Services	Encryption module developed by IBM Denmark
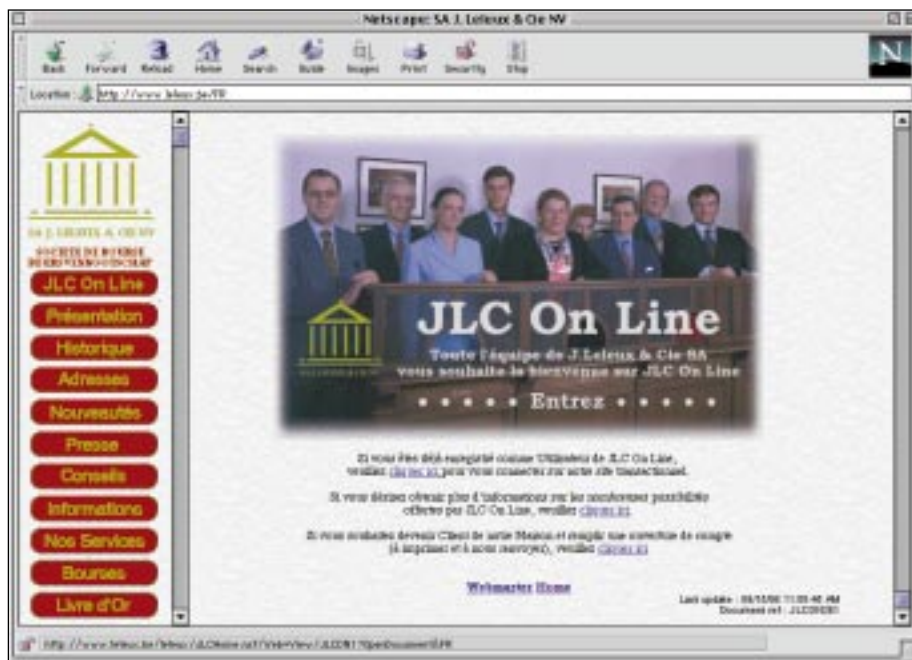
J. Leleux & Cie s.a. offers Belgium's first online brokerage service with realtime stock performance data.

e-business

Although J. Leleux already had a Web site, it offered only static pages of financial analyses and other reference information. With the help of IBM, J. Leleux developed and launched the first online brokerage service in Belgium, JLC On Line (*www.leleux.be*), which allows investors to view realtime stock performance information and submit orders to buy or sell stock on the Brussels Stock Exchange.

"With JLC On Line, we're adding about 20 new clients every day," says Olivier Leleux, director of the company and grandson of the founder. "Considering that it's taken us nearly 12 years to build up a base of 5,000 clients, attracting 500 new clients a month – an increase of 10 percent – is very significant growth."

Leveraging investment in hardware and software

Leleux says that even though his competition would also like to offer online brokering, many have neither the hardware that can scale up to meet the demands of such an application, nor the money to abandon their existing systems and start from scratch. J. Leleux overcame these obstacles by leveraging its existing IBM hardware and software.

Leleux explains, "Because our brokers were already doing realtime transactions with the Brussels Exchange on our IBM AS/400 server, we simply needed to provide an Internet window to our existing platform. In addition, by using Lotus Domino for AS/400, we were able to build JLC On Line as a Web shell right on top of our existing site. This allowed us to develop the online service in just three months and saved us about $10,000, which is the cost of building a whole new site."

Financial developments, corporate backgrounders and stock analyses are stored in an IBM DB2 database on an IBM AS/400e Model 620 system, which is linked to the Brussels Stock Exchange.

Lotus Domino was used to establish direct e-mail links to the company's stockbrokers. Domino also runs on an IBM AS/400e Model 170 server and makes it easy for the company to update its Web site. IBM MQSeries is used to enable the AS/400 database to communicate with the Domino Web server. A third AS/400e server – a model 600 – runs IBM eNetwork Firewall to protect the company's data assets from unauthorized users.

Internet transactions 100 percent accurate, efficient and secure

According to Leleux, JLC On Line virtually eliminates the transaction errors that can occur when orders are communicated verbally. In fact, on the 3,000 orders that have been processed through the Internet so far, the company has not made a single error.

"Greater accuracy gives our brokers more time to provide financial counseling. This personal service is a definite competitive advantage over the large banks," says Leleux.

Despite these advantages, secure transmission of data was a concern. Many of the transactions investors perform on JLC On Line involve information that, for obvious reasons, must remain private. As 128-bit encryption technology cannot legally be exported from the U.S. for security reasons, IBM Denmark has developed software that provides equivalent protection. As an extra level of security, clients are issued a password so that e-mail messages can be authenticated.

Having successfully addressed all these issues, J. Leleux & Cie s.a. feels it is ready to take on the global market and is looking forward to adding to JLC On Line realtime quote information from the Paris Stock Exchange and other major stock exchanges. "The Internet has enabled us to survive and prosper in a highly competitive market," Leleux concludes. "We could not have taken advantage of these new technologies without IBM."

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