

For more information or to schedule an interview, please contact:  
Leo Levinson – 215-545-4600  
[leo@grouplevinson.com](mailto:leo@grouplevinson.com)

FOR IMMEDIATE RELEASE & INTERVIEW:

## **9 RISKS FROM UTILIZING ARTIFICIAL INTELLIGENCE IN THE CONSTRUCTION INDUSTRY THAT CAN OPEN THE DOOR TO DISPUTES AND LITIGATION**

(Philadelphia, PA) One definition of artificial intelligence (AI) is: "the study of how to make machines do things, which at the moment, people do better." According to the ABC (Associated Builders & Contractors) organization, "The construction industry is faced with a steep worker shortage of more than half of a million in 2024, and technologies like artificial intelligence or AI can help address this challenge." It would seem that artificial intelligence and construction are a natural alliance.

Artificial intelligence has become a hot topic in business recently because it has achieved a level of usability that is adaptable to many industries, including construction. Many new AI-related products, including planning and operational tools, are being developed and forward-thinking management is often eager to adapt them into their processes.

Construction management thought leader James Gallagher, Principal at Resolution Management Consultants, Inc., cautions, "Although AI is a hot topic in business, in its current form and application in the construction industry, AI also has the potential to open the door to a number of risks and errors, of which companies should be mindful, so as not to trigger or enhance disputes." Gallagher observes that the construction industry has traditionally been slower to adapt technology to its practice, including digitizing record-keeping. Therefore AI, which is based on histories, cross-

comparisons and trend analysis, may have limits to its effectiveness at this time.

Gallagher has identified several areas of potential risk should construction projects rely on AI in their process:

1) AI is based on assumptions. Incorrect or incomplete assumptions can skew or influence recommendations and results.

2) AI is based on data. If less digital data is available to AI, whether from gathering, record-keeping, tracking and more, it will not be as effective and may be more prone to error.

3) AI's scalability advantages for construction have the potential to be limited or skewed. When one bases AI's "what if" projections on limited or less than complete information, it's value can be diminished or not valuable at all.

4) In construction, AI may be limited by its ability or lack of ability to account for differences in efficiencies and abilities. Construction, being a people business, is highly influenced by individual and proprietary organizational capabilities and efficiencies.

5) AI benefits from Internet of Things (IoT), which may have its limits in construction, both from having "things" able to synchronize, as well as having synchronization issues relating to machine communication in compatible languages.

6) AI can be at risk for security and cyber-attacks. Construction projects can have a longer timeline than “projects” in other industries, exposing a larger window open for security breaches.

7) Construction projects are often unique. Therefore, AI’s working to draw similarities among them may have limits and further add to the complexity of putting together a body of intelligence.

8) As nearly every industry is discovering these days, AI can intrude on intellectual property rights and cause knowledge acquisition issues, leading to disputes and litigation.

9) Meshing public AI with a private construction operation, and vice versa can open up or provide access to data privacy & security issues.

Said Gallagher, “The potential for artificial intelligence use in the construction industry can be of great value especially in answering “what if” and “what’s next” questions. Because we are still in the early stages of bringing AI into construction planning and practice, we must be wary of its limitations and potential to initiate disputes and litigation.”

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**About Resolution Management Consultants, Inc.**

Resolution Management Consultants, Inc. (RMC) is a nationally recognized consulting firm headquartered in Marlton, NJ. There are two sides to the business: the construction planning and management aspect – helping clients build more successful projects – and the litigation aspect – should matters go to court, providing analysis and testimony as expert witnesses. Founded in 1993 by veterans in the construction, contracting and engineering professions, RMC has assisted numerous private owners, public agencies and contractors in either achieving project goals or resolving cost and time disputes between the contracting parties.

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