Published on Alvarez & Marsal | Management Consulting | Professional Services (https://www.alvarezandmarsal.com)

March 04, 2025

In today's interconnected world, the risk of supply chain disruption continues to expand and increases the potential for construction and manufacturing project delays.

A&M's Disputes and Investigations team recently hosted a panel session at the 2025 Swiss Arbitration Conference titled "Navigating the Legal and Temporal Challenges of Supply Chain Disruptions in Construction and Manufacturing." Featuring A&M Construction Disputes experts Andrew Drennan and Katrin Enders, Maria Irene Perruccio Lourie of we build, Kevin Kim of Peter and Kim, and moderated by A&M's Julia Heidelbach, the panel shared insights into the impact of supply chain delays in construction and manufacturing, how to employ innovative solutions to enhance supply chain resilience, and best practices for leveraging technology to improve supply chain visibility and resilience.

Key takeaways from A&M's 2025 panel include:

1. Supply Chain Disruptions Are a Leading Cause of Disputes

Supply chain delays in construction and manufacturing are no longer just logistical challenges; they are now central to major disputes. Issues such as material shortages, production bottlenecks and geopolitical instability are increasingly leading to arbitration and litigation, often involving high-value claims.

2. Geopolitical and Environmental Factors Are Reshaping Project Risks

Global events like conflicts, trade policies and climate change are significantly impacting supply chains. Rising material costs, labor shortages and evolving regulations are creating financial and operational uncertainties, making risk allocation a critical aspect of contract negotiation.

3. Strong Data Management Is Crucial for Successful Claims

Poor recordkeeping remains one of the biggest obstacles in construction disputes. Companies are prioritizing better data management, including use of Al-driven tools, to improve documentation, strengthen claims and ensure compliance with contractual and regulatory requirements.

4. Technology and Al Are Transforming — but Not Replacing — Dispute Resolution

Advances in Al and digital tools are helping companies manage contracts, predict risks and streamline document review. However, while technology enhances efficiency, human judgment remains essential in evaluating complex disputes, particularly in unpredictable or high-stakes situations.

5. Early Expert Involvement and Alternative Dispute Resolution Drive Better Outcomes

Engaging experts in delay analysis, quantum assessment and legal strategy early in the process can prevent costly litigation. Companies are also increasingly exploring mediation and other alternative dispute resolution methods to settle conflicts more efficiently, reducing financial and reputational risks.

Source URL:https://www.alvarezandmarsal.com/insights/navigating-legal-and-temporal-challenges-supply-chain-disruptions-construction-and

Authors:

Julia Heidelbach Andrew Drennan Katrin Enders